

The complaint

A company which I'll refer to as 'S' complains that Barclays Bank UK Plc failed to stop gambling transactions from leaving its account.

The complaint is brought on S's behalf by its director, Mr M.

What happened

Mr M told us:

- He applied for a Bounce Back Loan ('BBL') for S in May 2020 and the funds were credited to the company's account. Barclays didn't undertake any affordability checks and hadn't lent responsibly.
- Over a period of several months, he was able to gamble all the BBL funds via online gambling. Barclays didn't do anything to stop him gambling despite the funds in the account dropping rapidly.
- Barclays didn't do anything to help him, despite being aware that he was vulnerable, and instead chose to close S's account without reason. This was S's only account so the company was unable to repay its loans or take on any contracts until it could open an account elsewhere, which was unfair.
- He complained to Barclays, but it wouldn't tell him why the account had been closed or why it hadn't stopped him using S's funds to gamble. He wanted the bank to refund all S's funds that he'd gambled and reschedule the BBL repayments.

Barclays told us:

- It had written to S in August 2020 to say that it would be closing the company's account(s) in October 2020. It had given Mr M the required two months' notice to make alternative banking arrangements before S's account was closed.
- Mr M hadn't made it aware of his gambling vulnerability until February 2024, after S's account had already been closed. The transactions also pre-dated any regulatory guidance on supporting customers who were gambling.
- The gambling transactions had been made outside of the bank's standard working hours, and the threshold for payments being referred for business accounts was much higher than it would be for a personal account. The payment size also wasn't out of character for the account, nor did they take the account into an overdrawn position which may have flagged for a referral.
- It had closed S's account in line with its lending policy and hadn't been aware of Mr M's gambling vulnerabilities, so it wasn't able to assist him. Therefore, it didn't think that it had done anything wrong.

Our investigator didn't recommend the complaint be upheld. She said that Barclays was entitled to close its customer's accounts in the same way a customer could close their accounts. She was satisfied that Barclays had given S sufficient notice of the account closure and used its commercial discretion to decide that it didn't wish to offer S an account. She was also satisfied that Barclays hadn't behaved unreasonably when it had allowed the gambling payments to be made from S's account. She didn't think the payments would have been picked up by the bank's automated system, and she was satisfied that Barclays couldn't have offered Mr M support as he hadn't made the banking aware of his compulsive spending. She also said the BBL had been part of a government scheme, and the bank didn't need to undertake affordability checks, as it was a self-certified scheme.

Mr M didn't agree with the investigator's view and asked for an ombudsman to review S's complaint. He didn't think it was reasonable that Barclays didn't offer preventative measures to stop him gambling in 2020 or that the bank didn't have someone monitoring accounts 24/7, as it should have called him about the payments leaving S's account. He also didn't think it was fair that Barclays had lent him the BBL without undertaking any lending checks due to the impact of lockdown.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm sorry to disappoint Mr M but there isn't much more that I can add to what our investigator has already said.

Mr M has provided a lot of information in support of S's complaint. I've read and considered everything Mr M has provided, however, in this decision I've not commented on each and every point he's raised. However, I want to thank Mr M for sharing the personal information that he has to support S's complaint.

Mr M says that Barclays behaved unreasonably because it closed S's account and wouldn't tell him its reasons for doing so. However, I don't think Barclays behaved unreasonably here. I say that because the terms and conditions of S's account with Barclays says that the bank can *"close an account (and stop providing any services and end this agreement) by giving you at least two months' notice. Any benefits or services linked to your account will stop at the same time"*. Here, I can see that Barclays wrote to S giving it the required two months' notice of the account closure, so I'm satisfied that Mr M was given reasonable opportunity to open an account elsewhere. Furthermore, the bank isn't required to tell a customer why it no longer wishes to offer them an account, this can be for a variety of reasons.

I recognise that Mr M wishes to know more about Barclays' decision, however, DISP rule 3.5.9(R) allows me to accept commercially sensitive evidence in confidence. We've agreed this with Barclays therefore I won't be commenting further on the specific evidence it has provided regarding this point. However, I'd like to reassure Mr M that I have seen the information from the bank about its decision, and I'm satisfied by the information it provided. I do also want to reiterate what our investigator has said, it is a commercial decision that Barclays is able to make on who it offers accounts to, in the same way that a customer can choose who they wish to bank with.

Mr M says that Barclays also behaved unreasonably because it didn't offer him the option to block gambling transactions through mobile or online banking, and because it didn't have someone manually reviewing S's account to stop payments and offer him support. Barclays has legal and regulatory obligations that it needs to meet, and again it is a commercial

decision that it is able to make on what systems and processes it has in place to service its customers. Barclays has told us that it didn't have the option of a gambling block being applied in the way Mr M would have liked at the time, and its automated process wouldn't have identified the gambling payments as unusual.

I've looked at S's statements, and given that this was a business account, the transactions were more frequent than would usually be seen on a personal account. Furthermore, the payment amounts that Mr M was gambling weren't out of character for the account, so I think it's reasonable that the bank's system didn't refer these payments. I also haven't seen any evidence that Mr M made Barclays aware that he needed support to prevent him gambling. So, I don't think the bank has behaved unfairly here.

I also acknowledge that Mr M feels Barclays acted unreasonably as it didn't undertake lending checks for the BBL, and S couldn't make its loan repayments due to the account closure. However, under the rules of the BBL Scheme, an applicant could borrow up to 25% of their annual turnover from a minimum of £2,000 to a maximum of £50,000. The applications were self-declared by the borrower so the lender could rely on this information when granting the loan. Additionally, under the BBL scheme, lenders were expressly prevented from carrying out affordability checks for BBL's so that funds could be provided to businesses without delay. So, I don't think Barclays did anything wrong by not undertaking lending checks for S or Mr M.

Furthermore, Mr M signed and accepted the terms of the BBL agreement which said that the loan would be provided "*only to provide economic benefit to his business*". Mr M agreed that the BBL "*will be used wholly for business purposes and not personal purposes*". Therefore, by using the BBL funds for gambling purposes, Mr M had breached the terms of the BBL agreement. And whilst I recognise Mr M's vulnerability, I can't see that he asked the bank for support at any point so that it could make reasonable adjustments for him. Nor have I seen any evidence from Mr M saying that he was struggling to open an account elsewhere to make his repayments. Therefore, I think it was reasonable that Barclays could call an event of default in line with the terms of the agreement, and issue a demand for full repayment of the loan. And I won't be asking the bank to reschedule the BBL repayments.

While I understand why Mr M feels the way he does, and I recognise the impact of these transactions has been incredibly difficult for both him and S, I don't think Barclays has treated S unfairly or behaved unreasonably. Therefore, I won't be asking it to do anything more.

My final decision

My final decision is that I don't uphold S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 28 May 2025.

Jenny Lomax
Ombudsman