

The complaint

Mr R complains that Barclays Bank UK PLC failed to alert him to the fact that he was spending a large amount of money on gambling following his receiving inheritance monies.

What happened

In December 2019 and again in November 2020, Mr R received a large capital sum into his account, in respect of an inheritance. He says that by January 2020 and again by March 2021 he had spent the full amount of his inheritance on gambling. He complained that Barclays didn't contact him at all during that period. He applied for an overdraft, which was declined, in March 2021. He has explained that he's vulnerable and suffers from mental health problems. He receives disability and employment support benefits. He believes that Barclays had a duty of care towards him and that if it had alerted him to the amount he was spending on gambling he wouldn't have lost his inheritance monies.

Barclays said that Mr R didn't approach it until October 2024 - he hadn't advised it of his vulnerabilities until then. It explained if it was in recent times it would have offered adjustments and the frequent payments would have likely been flagged up but "customer" duty wasn't highlighted in 2020/2021. It informed Mr R it has precautions in place like turning off gambling on his spending, it guided him to do that immediately on his Mobile Banking app and confirmed it was done. It didn't accept that there was any error on its part so it didn't uphold Mr R's complaint.

On referral to the Financial Ombudsman Service, our Investigator said that having considered Mr R's testimony, he thought it unlikely that if Barclays had alerted him to his spending activity in November 2020 onwards that he would have taken any action.

Mr R didn't agree, and the matter has been passed to me for an Ombudsman's consideration.

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.

Where the evidence is incomplete, as some of it is here, I have to make my decision based on what I think is most likely to have happened. But it may be that I can't make a finding and if this is the case I shall say so. I have a duty to be impartial so I have to assess both parties' evidence fairly.

I should advise firstly that problem gambling may not have been highlighted by the banks as much in late 2020 as it maybe is now. Although gambling using credit cards was banned from April 2020. I do think that Barclays still should have reviewed an account if it was reasonably alerted to any unusual activity on it.

I wouldn't expect Barclays to regularly manually review customers' bank accounts. Rather, it would have an automated system which would pick up on unusual, potentially fraudulent

transactions, or unusual patterns of spending. But I wouldn't expect Mr R's spending on gambling sites by itself to be picked up by the system. Something else would have to alert Barclays to consider his account and his spending activity. I've seen the statements on the account from September 2019 until May 2021. Throughout that time Mr R was gambling every month and I understand that he continued to gamble at least up until his contact with Barclays in October 2024.

The account itself during this time generally stayed in credit, on the few occasions it went into overdraft this was remedied by Mr R immediately. But I have identified two occasions when Mr R deposited a large sum of money in the account, in December 2019 and, as mentioned above in November 2020. And it's fair to say that there was a big increase in Mr R's spending activity on gambling after receiving those funds. I think that on both occasions this should have alerted Barclays to review his account.

However banks' powers are limited. Gambling transactions are legal and Barclays' system didn't find any of these to be potentially fraudulent. So without Mr R's full agreement it couldn't have blocked any of the payments. All it could do would be to offer help, alert him to counselling services and/or assist him in placing a gambling block on the account. The latter would I believe have been available at the time, at least for the 2020 transaction. But I have to consider what Mr R would have done at the time, if anything. He didn't complain about his 2019 gambling at the time or in October 2024. And he continued to gamble large sums of money every month, albeit within his means.

Looking at the figures for November 2020 through until March 2021, although gambling certainly wouldn't have been recognised as unusual for Mr R, the amount going through the account spent on gambling transactions for these five months was considerably more than in the previous year, apart from December 2019. I've noted that although Mr R spent considerable amounts on gambling he also had considerable winnings. For example though he spent over £17,500 on gambling in November 2020 he received credits from betting companies of over £18,000. For December 2020 and January and February 2021, he received back around 92% in winnings and in March 2021 around 71%. He was still spending very great amounts on gambling so he still had considerable losses. But I think that it's likely that especially for November 2020 when he received the capital sum, if Barclays had reviewed his account then it would have noted the gambling but with no losses. And it would have taken into account the previous 12 months, especially December 2019 and noted considerable gambling activity throughout that period.

But I do think it fair to look at what Mr R would have been likely to have done had he received notification from Barclays at the time offering help with his gambling. I have every sympathy for Mr R in recognising his problems with gambling. But I don't think that it's likely he would have taken any action in response to Barclays in November 2019, and indeed he has confirmed to us that he didn't feel he had a problem then. And I think the same applies for late 2020 and early 2021. I say this because he's told us he continued to gamble at least up until the time he contacted Barclays in October 2024. And in August 2023 Barclays had sent him a Proactive Customer Care message which stated: "*...did you know you can control your debit card spending to specific retailer types like gambling, restaurants or petrol – in the Barclays app.*" I've seen no evidence that Mr R responded to this.

With regard to the application for the overdraft, Barclays has no record of the reason for its refusal which I believe was in March 2021. Mr R says that he applied for it through the app and was rejected due to his credit record. Given that I think it unlikely that that would have alerted Barclays to look at account.

So overall and with regret for any disappointment caused to Mr R, I don't think that Barclays made any error in respect of contacting him about his gambling in December 2019 and

November 2021. And I don't think it's likely that if it had contacted him he would have responded at the time.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 February 2025.

Ray Lawley
Ombudsman