

The complaint

Mr R complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY failed to offer him support when he was spending compulsively and experiencing financial harm.

What happened

Mr R has a compulsive spending problem which resulted in him gambling in an excessive and harmful way. Between September 2022 and May 2024, a large number of payments were made out of Mr R's NatWest account to an online gaming or gambling website. Mr R initially said he didn't make some of the payments, but he now accepts he did authorise them all. He says his compulsive gambling problem led to him losing a significant amount of money and that, during that time, no one from NatWest ever contacted him to discuss the behaviour on his account or ask if he needed any help or support. He believes that, if it had done, it could have reduced the loss he suffered. Mr R has also suggested the gambling website is a scam.

NatWest investigated Mr R's complaint but said it couldn't see any evidence he had previously made it aware of his gambling problem or had placed any gambling controls on his account before the payments were made. It also said the website the payments went to was registered outside of the UK and didn't identify the payments as gambling, so they wouldn't have been stopped by any gambling blocks it could have put in place. So it didn't agree to refund any of the money Mr R had lost. Mr R wasn't satisfied with NatWest's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They said NatWest should have identified that Mr R could be at risk of financial harm as a result of the payments and offered him support, and so it should pay him £400 as compensation for failing to do this. But they didn't think any action we would have expected NatWest to take would have prevented Mr R making the payments, so they didn't think it should have to refund the money he had lost. Mr R disagreed with our investigator, so the complaint has been passed to me.

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 agree with the findings made by our investigator and so won't be asking NatWest to pay anything more than our investigator recommended. I know this will come as a disappointment to Mr R, so I'd like to set out my reasoning below.

Mr R has said he put a gambling block on his NatWest account, which should have prevented any gambling transactions being made on the account. He's said he applied a block to the account in NatWest's mobile banking app and never turned it off.

But NatWest has said it doesn't have any record of a gambling block being placed on Mr R's account until after he reported the gambling transactions he is complaining about to it. And its records of the activity on Mr R's account show a restriction being placed on his account in

August 2023 – after he'd reported the gambling transactions here – and no other similar restriction being placed on his account previously. In any event though, and for reasons I'll explain in more detail below, even if a block had been placed on Mr R's account I don't think it would have prevented the gambling transactions he has complained about here.

Mr R has said he feels NatWest have a responsibility to intervene when there are large or repeated gambling transactions on an account and that the out of character nature of the gambling transactions on his account here should have triggered a review. So I've considered whether or not NatWest missed any indicators that Mr R was vulnerable or spending money in a way that was causing him harm.

From looking at the statements for his account, I think there were a number of occasions during the period Mr R was making these payments where the activity on his account should have caused NatWest some concern. There are several times, notably in April and June 2023, where Mr R makes a number of payments for the same amount to the same payee on the same day. On 25 April 2023, Mr R makes five payments of £302.90 to the same payee on the same day. And on 5 June 2023, he makes four payments of £205.32 and one payment of £200 to the same payee on the same day.

The total amounts sent to these payees on these days was significantly higher than the amounts typically moving through Mr R's account. And sending a number of payments of a similar amount to the same payee on the same day is a pattern of payments often seen where customers are suffering financial harm. So I think NatWest should have identified concerns here and contacted Mr R and asked questions to understand his behaviour and what was going on.

NatWest's records show it did block a number of payments Mr R tried to make from his account during this time, and contacted him to confirm that he recognised the payments and they were genuine. But I don't think this contact went far enough to address the concerns I think NatWest should have had. I think it should have asked more questions about the circumstances behind the unusual activity on his account and that, if it had done so, it could have uncovered that the payments were related to gambling and offered Mr R further support.

Even if NatWest had offered support, I don't think it's likely it would have prevented Mr R from making the payments or from spending the money in some other way or with another gambling company. I say this because gambling blocks aren't guaranteed to prevent customers from accessing all forms of gambling. They essentially work by blocking transactions identified as gambling by the merchant the payment goes to. But the merchant Mr R was making these payments to didn't identify them as gambling so they wouldn't have been stopped by any gambling block.

Mr R has also said he had signed up to a gambling self-exclusion scheme, but then specifically sought out gambling websites that wouldn't be stopped by this scheme – such as the one these payments went to. So it appears he knew, or was willing to find out, how to get around the various systems and tools available. He also continued making payments to this website after reporting these payments to NatWest. And while I appreciate he was behaving in a compulsive way outside of his control at times, the money in his account is his and he's entitled to spend it as he sees fit and there's no suggestion he lacked the capacity to run the account himself. So I don't think anything I would have expected NatWest to have done would have prevented Mr R making the payments he did here.

And so I don't think it would be fair to hold NatWest responsible for the money Mr R lost or require it to refund any of the payments he made here.

But I do think NatWest should pay Mr R compensation for its failure to offer him support. I think this was a serious failing as there were signs of potential harm in the activity on his account long before he contacted it about the payments. And the support NatWest could have offered could have helped Mr R address the compulsive gambling sooner or eased some of the distress and upset the circumstances caused him. So I think an award of £400 is fair and reasonable compensation for the distress and upset its failings caused.

Mr R has also argued that the website he made the payments to is a scam. But while there are some reviews online saying it is a scam, these mostly seem to be complaining about delays withdrawing funds rather than suggesting the entire website is a scam. There are also reviews online suggesting the website is legitimate, and it appears the website's parent company is licensed with a foreign regulator. So I don't think the available evidence suggests the website is a scam, or that NatWest should refund the payments Mr R made to it on this basis.

My final decision

For the reasons set out above, I uphold this complaint in part and require NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to:

- Pay Mr R £400 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 April 2025.

Alan Millward
Ombudsman