

## **The complaint**

Miss N has complained that Bank of Scotland plc trading as Halifax failed in its duty of care to stop her from gambling excessively from her account.

## **Background**

Miss N has a bank account with Halifax. She has explained that in early 2021 she started to gamble in a compulsive and harmful way. She believes that Halifax should have noticed this change in activity on her account and contacted her to offer support or taken some other action to prevent her from gambling further. She said she contacted the bank in 2021 and asked for it to place a permanent gambling block on her account, but this never happened. She's asked the bank to refund her gambling losses from 2021 until 2023 when she eventually got the help and support she needed to stop.

Halifax has said that it has no record of Miss N contacting it in 2021 to ask for help or support. It notes that the gambling block it offers has been added, and removed, several times on Miss N's account and explained this is something that is controlled by customers themselves. It has confirmed that it's not possible to add a permanent block to the account and that the block that is available isn't guaranteed to block all gambling transactions. As it couldn't find any evidence that Miss N had requested specific support in 2021 it didn't think it had done anything wrong and didn't uphold her complaint.

Unhappy with Halifax's answer Miss N brought her complaint to this service. One of our investigators looked into it already. She found that Halifax should have realised in 2021, as part of its annual reviews of her account, that Miss N was started to show signs of financial vulnerability and compulsive spending. So, she thought the bank ought to have contacted Miss N at that time to establish if she needed any help or support. And as that didn't happen, she said Halifax should pay Miss N £300 compensation in recognition of its failure to offer support to a potentially vulnerable consumer.

Halifax didn't agree with the investigator's findings in full but accepted the overall outcome and agreed to pay Miss N the compensation. However, Miss N didn't accept the investigator's findings as she didn't think the compensation amount suggested by the investigator was enough. She said Halifax ought to refund the gambling transactions that left her account from 2021 onwards as if it had intervened sooner, it could have stopped her from spending in a harmful way.

As Miss N didn't accept the investigator's findings, she asked for an ombudsman to review her complaint again and so it's been passed to me for consideration.

## **My findings**

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

I would like to thank Miss N for her submissions as I appreciate compulsive spending and problem gambling can be extremely difficult to speak about and she has done so honestly

and frankly providing us with information about a very distressing period in her life.

I would also like to clarify I've summarised the events of the complaint. But I want to assure both parties that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In her submissions to this service Miss N has referenced a case study that she found online which she believes mirrors the facts of her complaint. I would like to clarify that we look at each case on its own merits, and while I have reviewed the information provided by Miss N my decision is based on facts of her specific case and circumstances.

Miss N has queried why Halifax failed to contact her when she started to gamble in a more frequent way than she had previously done. She believes that the bank failed in its duty of care to her.

I think it would be useful to clarify that bank accounts aren't actively monitored by people anymore. Even when we call to speak to bank representatives on the phone the people we speak to may only have access to limited information linked to the specific question we ask and not sight of the entire account, or individually listed transactions.

Which means no one in Halifax was reviewing the information on Miss N's account in the way she might assume they were. Manual reviews, where a staff member actively reads account statements and sees the types of transactions that are taking place, only happen when there is a specific risk identified that prompts the business to think such a review is necessary. Or where a consumer asks for a review directly or has an agreement in place with the business that such a review will take place.

Which means that there are limitations around when businesses may realise that account activity and behaviour has changed or is showing signs of potential harmful behaviour.

Miss N has said that she contacted Halifax in 2021 to ask for help with her gambling and was told that the bank would place a permanent block on her account to prevent her from gambling further. But this never happened and as a result Miss N continued to gamble in a harmful and compulsive way.

Halifax has said that it can't find any record of Miss N contacting her at that time. In addition, it has said it doesn't offer a permanent block of that nature and that it's not possible for it to guarantee all gambling transactions would be prevented for a consumer even when its gambling block is applied. It has explained that when Miss N contacted it in 2023 it explained that a block was available, and how it worked, including the limitations around when and why it may not work. It noted that Miss N then applied the block, and subsequently removed it and reapplied it again. The bank confirmed it also sign posted Miss N to external support available through gambling charities. So, it thought it had offered reasonable support once it had become aware of the issues.

While I accept what Halifax has said about the block, and in particular its limitations and that it can't be applied to an account permanently, I do think it should have offered this advice sooner than it did.

Miss N has said she contacted the bank in 2021 but there's no record of that contact. So, I can't say the bank failed to respond to a direct request for help. However, I also note that Miss N had an overdraft facility on her account and therefore the usage of that facility should have been reviewed on annual basis to ensure it was being properly managed. And as part

of those reviews, I think Halifax should have noticed the change in activity in 2021, in particular the increase in gambling transactions and indicators of harmful compulsive spending, and proactively contacted Miss N to establish if she needed any additional help or support.

Miss N has said that if Halifax had contacted her in 2021 it may have stopped her from gambling further. It is important to clarify to Miss N that even if Halifax had contacted her at that time, it could only have made her aware of the support that was available. It couldn't have added any blocks without her direct consent or stopped transactions that she had authorised from leaving her account. And it's not possible for me to say with any certainty that had Halifax contacted her at that time it would have stopped her from gambling further. I say this because Miss N herself has explained how she struggled to control her gambling, and it wasn't until 2023 that she was able to admit she had a problem. And once she was aware of the blocks it does seem that she would turn them on and off to facilitate spending when she was in crisis.

Which is why Miss N argues the gambling block should be something that can be applied permanently and I understand completely why she thinks this and why that would be useful for some consumers. But there is no regulatory obligation on businesses to offer permanent gambling blocks. Indeed, there's no obligation on them to offer blocks at all. And while some banks may offer blocks that can be added for longer periods than others, there are still some banks and building societies that don't offer any gambling blocks of any description. So, I can't uphold Miss N's complaint on the basis that Halifax doesn't offer a permanent gambling block or that the block it does offer can be easily turned off via its app.

Instead, I can only uphold the complaint on the basis that I agree Miss N's account was showing signs of vulnerability in 2021, and I think that Halifax ought to have noticed this when it completed the accounts overdraft usage annual review that year. However, I can't fairly conclude that if the bank had offered support at that time it would have stopped Miss N from gambling further or incurring any additional losses.

I agree with our investigator and think Halifax should pay Miss N some compensation for its failure to offer her support when it should have, and I think £300 is a reasonable amount to award. I know Miss N will be disappointed by this, but the role of this organisation isn't to punish businesses when something goes wrong, and as I've explained above, I don't think the bank is liable for her gambling losses. Which means I'm not going to ask it to refund those to her.

### **Putting things right**

In order to put things right Bank of Scotland plc trading as Halifax should pay Miss N £300 compensation for its failure to offer support in 2021 when she was showing signs of financial vulnerability.

### **My final decision**

For the reasons set out above I uphold Miss N's complaint against Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 3 April 2025.

Karen Hanlon  
**Ombudsman**