

The complaint

Mr H complains that National Westminster Bank Plc failed to recognise that he was spending excessive sums on gambling. And that its gambling block failed to block the payments he was making. And that it didn't offer him adequate support when he told it of his problems.

What happened

At the end of September 2024, Mr H got in touch with NatWest concerning gambling payments to a company, W, that had gone out of his account from June to September 2024. He had a gambling block on the account but was disturbed to note that the payments were still allowed to go through. He also had a direct debit monthly lottery payment which NatWest had allowed to go through. He estimated that he had lost in the region of £2,500.

NatWest's adviser spoke to Mr H and explained that the merchant code used by W for payments was a gaming code and not therefore stopped by the gambling block. It blocks gambling payments by card and not direct debit payments. Mr H explained that he had sought counselling. The adviser responded by letter on the same day to explain the situation, but as NatWest hadn't made an error, it wouldn't be offering any refund. The letter explained that a referral had been made to the specialist team who would be in touch.

Mr H complained that he did not receive any further support or help and that NatWest had been insensitive and showed no compassion for his situation. Because of the amount of payments that he was making he believes that NatWest should have noted this and got in touch with him sooner. He noted that the lottery payment had still not been cancelled.

On referral to the Financial Ombudsman, our Investigator said that they were satisfied that NatWest's procedures hadn't failed and noted that the merchant codes didn't identify as gambling. And that the team had made reasonable efforts to follow up and discuss how they could assist further.

Mr H didn't agree. He has further pointed out that he took out a loan during this period. And that his account was consistently overdrawn.

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.

gambling transactions

I'm satisfied that the gambling block was put on the account on 10 August 2024. It appears from NatWest's records that a previous gambling block had been put on a different card in 2022. But from the evidence I'm satisfied that NatWest was not aware that Mr H had problems with gambling until he contacted it in late September 2024. So I have gone on to consider whether it should have noted gambling on his account sooner.

It is important to note that most banks, including NatWest, don't manually review customers' accounts. Nor do they have a system that can detect gambling activity beyond the merchant category codes (MCCs). So in order to identify problems with spending on the account, the system would either have to trigger possible fraudulent payments or there would have to be signs on the account of financial difficulty to cause NatWest to look at the account further

In Mr H's case, although there were a lot of payments to W, it seems unlikely that they would have been detected as fraud. And the individual payments were all for small amounts. The payments amounted to around £2,500 over 3 months and I don't think that such amounts would indicate unusual activity. I'm aware that Mr H's account did go into overdraft over this period, but as this was an arranged overdraft, that wouldn't show any signs of financial difficulty. And, though Mr H has advised that he took out a personal loan during this period, again there doesn't appear to be any indication on the account that he was in difficulty making the payments under the loan.

Mr H has pointed out that the majority of the payments were made through a mobile payment service, but I don't think that makes any difference to my conclusion. Such a service always uses the card to make the payment.

Unfortunately the gambling block didn't stop the payments to W. NatWest says on its website that if companies use alternative codes to bypass the gambling block, then it won't work. In this case W used a gaming code which didn't register as gambling. But I don't think that NatWest made any error in this respect, or that it could have set up its system to block those sort of MCCs.

In respect of the direct debits to the lottery company, the gambling block applies to the card rather than to other sorts of payments. And NatWest can't cancel such a payment without the customer's consent. I've also noted that Mr H told our Investigator that he hadn't asked to cancel the direct debit (for £12 a month) until he had spoken to the Financial Ombudsman. I can't see that he has requested the cancellation..

subsequent support

I listened to the call that Mr H had with the adviser when he initially contacted NatWest. And I can't say that there was anything wrong with the way the adviser conducted that call. I note that they said that Mr H would be referred to a specialist team. However I also note that Mr H had indicated that he had contacted a counselling service. I've seen from NatWest's notes that the specialist team did try to contact Mr H on several occasions but were unable to get through to have a meaningful conversation with him. I also note that he referred his complaint to this Service immediately after he spoke to the adviser.

I have noted that Mr H, to his credit, didn't make any further payments to W. And if Mr H would like to take the matter back up with NatWest's specialist team, then he is free to do so at any time. But generally I'm satisfied that NatWest made reasonable attempts to follow up on Mr H's concerns and to offer further support.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 March 2025.

Ray Lawley

Ombudsman