

The complaint

Miss P complains about the lack of support she says she received from Lloyds Bank PLC in relation to her gambling condition.

What happened

Miss P holds a current account with Lloyds. In November 2024, she complained to Lloyds that it had allowed her to use her account for gambling – despite her having an active gambling block. Miss P said she didn't think Lloyds had done enough by way of prevention measures – or in terms of general support – for people like her with a gambling condition.

Lloyds sent its final response letter, in reply to Miss P's complaint, on 15 November 2024. In it, the bank set out that some gambling transactions had indeed debited Miss P's account. Lloyds explained that had happened because Miss P had applied a gambling block to an old card – not her current one; gambling blocks are applied to specific cards, not the account overall. In any event, Lloyds said it believed this was a genuine mistake on Miss P's part. So, it reimbursed Miss P the value of the gambling transactions it identified – a total of £89.

Miss P, though, remained unhappy and contacted this Service for an independent review of the matter. An Investigator here looked at what had happened; having done so, the Investigator didn't recommend Miss P's complaint be upheld. In summary, the Investigator said:

- Our Service is not a regulator. So, we can't dictate what measures or systems a financial business *must* have in place for scenarios such as this.
- More broadly, we wouldn't expect Lloyds – or any other business – to continuously review accounts for gambling transactions as a matter of course. Gambling isn't illegal and, broadly speaking, customers should be free to spend their money as they please.
- Here, certain transactions had been identified by Lloyds as gambling. The bank can determine such transactions by using what's known as a "merchant code"; gambling transactions carry a specific code. The value of those transactions came to £89, and Lloyds – satisfied that Miss P had made a genuine mistake – agreed to reimburse her that money. That was both fair and reasonable in the circumstances.
- Looking more widely at Miss P's spending, Lloyds had successfully blocked gambling transactions whilst a gambling block was applied to the correct card. There were, though, some approved transactions which – while gambling transactions – didn't carry the corresponding merchant code. Instead, these transactions were coded as foreign debit card transactions, and Lloyds' systems wouldn't pick them up.
- Lloyds had given Miss P details of organisations which could support her, as well as explaining more about the measures it has internally.
- Overall, with all of that in mind, Lloyds didn't need to take any further action.

Miss P disagreed with our Investigator. She said Lloyds ought to have asked her for the names of all gambling sites she used and, once in possession of that list, blocked all of

them. Ultimately, Miss P asked for an Ombudsman's decision, so the complaint has been passed to me to decide.

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, while I know this will disappoint Miss P, I've broadly reached the same conclusions as our Investigator for largely the same reasons.

It's important to reiterate here that we aren't the regulator. As our Investigator rightly pointed out, that means we don't have the power to tell a financial business, like Lloyds in this case, what measures or tools it fundamentally needs to have in place to support customers like Miss P. It's simply not within my remit to dictate that. I would, though, expect Lloyds to utilise the tools it does have in place to assist Miss P. Additionally, I'd expect the bank to be clear with Miss P about what it can do to help – as well as any limitations there might be in what it's able to do.

Here, I think Lloyds has complied with that. From what I've seen, the bank has provided Miss P with details of organisations which can help; it's also explained more about how its internal processes work in these scenarios. I'm pleased to see it's done so.

I also think Lloyds has treated Miss P fairly in terms of the gambling transactions she was able to make. I say that because Lloyds has accepted that Miss P likely made a genuine mistake when applying a gambling block to an old card. I think that's right; it follows that I also consider it right Lloyds reimburse Miss P for those transactions, which the bank could identify as gambling, while the block was applied to the wrong card – which it has done.

The wider issue at play here, I think, is those transactions Miss P was able to make which Lloyds' block *didn't* catch. I understand why Miss P considers that Lloyds needs to do more to prevent such instances; I'm afraid, though, that I don't see things in quite the same way. To explain, the gambling block Lloyds employs here works by blocking transactions which match a merchant code for gambling. The crucial point to note is that merchant codes are applied by the merchant, not the bank. Put simply, this means that if a customer makes a transaction that doesn't have a merchant code linked to gambling, the bank wouldn't be able to block it.

Lloyds has provided evidence to show some transactions Miss P made weren't categorised as gambling by the merchant, instead they were foreign debit card transactions, and it wasn't therefore possible to block them. I understand that's frustrating for Miss P, but I can't fairly conclude that Lloyds did something wrong by not blocking those transactions given those aspects which were out of its control.

Miss P has questioned why Lloyds hasn't asked her to provide a full list of gambling sites or companies, and then blocked any transactions to them. She says other financial businesses have done this, including some in the same wider group as Lloyds. I see why Miss P thinks this would help but, as I've said above, I can't tell Lloyds that it *must* take such steps – nor can I comment about what other businesses have done, even if those firms are part of the same banking group. Instead, my focus has to be solely on Lloyds' actions here.

To sum up then, I certainly empathise with Miss P and her current situation with gambling. I'd encourage her, if she hasn't done so already, to reach out to organisations which can help – and to keep in regular contact with Lloyds about the matter too. That said, for the reasons I've explained, I don't think Lloyds acted unfairly or unreasonably towards her here. It follows that I don't require Lloyds to take any further action in relation to this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 22 May 2025.

Simon Louth
Ombudsman