

The complaint

Mr R complains that Bank of Scotland Plc failed to act and support him when he was using his credit card for gambling transactions.

What happened

Mr R holds a credit card account with Bank of Scotland. Around 2015, Mr R made several transactions using his credit card. He's explained that these transactions were to fund a gambling addiction that he had at the time.

In 2024, Mr R complained. He said Bank of Scotland should've realised he was using the credit card for gambling transactions and should've taken steps to intervene. He's said that financial institutions have implemented tools more recently to allow customers to block transactions to certain gambling websites, and he thinks this demonstrates that Bank of Scotland should've done more back in 2015 to identify the problem and step in.

Bank of Scotland responded and said they couldn't see any signs to suggest that the lending had become unaffordable for Mr R. They also said that Mr R had not reached out to them at any time while the card was active to suggest that there may have been a problem. So, they didn't uphold his complaint. Unhappy with this, Mr R brought his complaint to our service. He said that he thinks the steps lenders are taking now should've applied back when he had the card. So, he wants Bank of Scotland to refund all of the cash transactions made on the account, along with any associated interest and fees.

An investigator considered Mr R's complaint but didn't recommend it was upheld. He noted that the Gambling Commission announced a ban on merchants accepting credit card payments on gambling sites. And he said that while this wasn't aimed at banks or financial institutions, that many financial institutions did take steps to help block these types of transactions moving forward. However, he noted that the transactions Mr R had complained about, pre-dated these steps by around five years. So, even if this guidance was aimed at financial institutions (which it wasn't), it wasn't in place at the time Mr R carried out these transactions.

He also noted that both Mr R and Bank of Scotland had described these transactions as cash transactions. So, he felt that even if Bank of Scotland had reviewed his account, it's unlikely they would've been aware that the funds were being used for the purpose of gambling. So overall, he didn't recommend that Mr R's complaint be upheld.

Mr R remained unhappy however, and mostly repeated his earlier points. So, the case has now 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.

Mr R's main argument is that Bank of Scotland should've done more to recognise that he was using his credit card to gamble back in 2015.

What's important to note here is that while financial institutions may conduct reviews of customers' accounts; and, at the time of any additional lending, might consider how an account was being managed; on this occasion, Mr R wasn't applying for additional credit. So it's unlikely that Bank of Scotland would have been reviewing his account in the same level of detail you might expect had he been making an additional credit application.

Mr R has pointed out that on recent applications he's made for credit cards, that there is a section that allows customers to freeze gambling transactions. But back at the time of the transactions in question, this was not something that appeared to be in place. And, by Mr R's own admission, he said that at the time, he didn't realise he had a problem with gambling. So, there's nothing to suggest that Mr R would have utilised such a feature even it was available.

I've also considered the gambling commission's ban on merchants accepting credit card payments on gambling sites. But this ban didn't come into effect until 2020, and Mr R's credit card account was closed around four years prior in 2016. And, even if the gambling commission's ban were in place at the time, the ban was for regulated gambling retailers not to accept such payments, and was not for financial institutions.

So, while I appreciate Mr R is unhappy that he has not been refunded these transactions, I've not seen sufficient evidence, even if I were to think that Bank of Scotland needed to look further, to persuade me that it would have been apparent that Mr R was using the account for the purposes of gambling. Especially given what he's told us about many of these transactions showing as 'cash'.

So, while I appreciate this is not the outcome Mr R would've hoped for, for the reasons set out above, I won't be asking Bank of Scotland to do anything further in respect of Mr R's complaint.

My final decision

My final decision is that I do not uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 24 April 2025.

Brad McIlquham
Ombudsman