

The complaint

Mr H complains Lloyds Bank PLC didn't intervene when he started compulsive gambling in 2024.

What happened

Mr H explained during 2024 he started to regularly sign up to and frequently use online gambling services. Mr H said he started to realise he had a problem with gambling, explaining he hadn't gambled like this before. Mr H explained he spent nearly £9,000 on gambling during this period.

Mr H described this as fairly significant change in his banking and depositing behaviour, explaining he had banked with Barclays for over eight years and not gambled like this before. Mr H also explained he is disabled and vulnerable and thinks Lloyds should have reached out to him due to the change in his spending patterns.

As a resolution Mr H said he wants compensation and a refund of the losses he incurred through gambling during this period.

Lloyds explained it had dealt with Mr H's complaint during his call to it on 17 October and issued a final response letter to Mr H the following day.

During the call Lloyds explained the transactions Mr H had made had not flagged up as unusual. Lloyds said it monitored account, but as Mr H had used a trusted device and the amounts had started small and increased, the pattern would not have triggered any concerns about these transactions.

Lloyds also offered assistance during the call including discussing gambling blocks. It placed a note on Mr H's file stating he may need support and offered to provide details of organisations which could assist Mr H with his compulsive gambling.

Towards the end of the call, Mr H asked Lloyds to provide a final response letter so he could bring his complaint to our service.

Our investigator didn't think Lloyds needed to take any action. They said they didn't think Lloyds had done anything wrong, explaining there was no evidence Mr H contacted Lloyds before October 2024 to discuss compulsive gambling so Lloyds didn't have any opportunity to recognise the issues and assist Mr H.

Mr H responded explaining he thought Lloyds needed to be alert to changes in customers behaviour and their vulnerabilities.

As Mr H rejected our investigator's recommendation his complaint has been passed to me to make a final decision.

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.

Firstly, I would like to express how sorry I was to read about the issues Mr H had with gambling last year. I was pleased to read he has been able to seek support and has since stopped compulsive gambling.

The issue for me to decide is whether I can see any reason why Lloyds should have intervened, considering all the circumstances and the vulnerabilities Mr H has explained.

The evidence I have seen suggests Mr H first contact Lloyds to discuss compulsive gambling during the call referenced above in mid-October 2024. During this call Mr H explained he had been compulsive gambling since February 2024.

Lloyds provided our service with contact notes for Mr H during 2024 and a recording of this telephone call Mr H made to Lloyds. It appears Mr H only contacted Lloyds once before this call during the period he was gambling. This was in March 2024 and appears to have been regarding an unrelated banking matter, there is no evidence in this log he raised the issue of compulsive gambling during this contact.

Customers bank accounts are not usually routinely monitored or examined manually as a matter of course. From the evidence I have seen, no employee of Lloyds had cause or reason to access Mr M's account during the period in question as Mr H didn't contact it to explain his compulsive gambling or vulnerabilities.

Apart from Mr H contacting it, another way Lloyds might have manually checked Mr H's account was if he had gotten into financial difficulty, such as incurring an unaffordable or unarranged overdraft or otherwise applying for a lending option with Lloyds. Another reason Lloyds may have had cause to contact Mr H is if it suspected Mr H was the victim of a fraud or scam.

I have carefully examined Mr H's statement for this period to see whether I am persuaded there were any such indications Lloyds should have intervened. I can see Mr H's account remained in credit through this period, the gambling transactions were therefore fully funded by him, and although there were numerous transactions to different gambling companies, each single transaction amount was of a value I would not expect to usually trigger fraud checks.

Furthermore, the evidence shows the transactions were made using Mr H's recognised device, again suggesting this was unlikely to trigger a fraud flag and intervention by Lloyds.

It is important to point out here financial business are under a duty to process payments a customer authorises it to make, in line with the Payment Services Regulations (PSRs). Therefore, authorised gambling transactions would have continued unless something triggered Lloyds into manually considering Mr H's account as discussed above. Mr H has accepted he authorised these transactions at the time and intended to make these payments to the companies when he made them.

I appreciate Mr H has explicitly complained he thinks Lloyds hasn't complied with Financial Conduct Authority (FCA) guidance regarding its duties to protect vulnerable customer.

FCA guidance from 2021 regarding vulnerable customers explains businesses should monitor accounts for '*unusual activity*'. This guidance is aimed as a trigger for front-line staff within businesses, describing what to look out for when '*engaging with customers*'. Again, this suggests Mr H would have needed to have *engaged* with Lloyds for it to have had any opportunity to recognise unusual activity, and as I have explained above, I am not persuaded this happened from the evidence provided by both parties.

Lloyds has said the activity on Mr H's account '*wasn't unusual*'. Lloyds also said it didn't automatically block gambling transactions, but customers could do this themselves in the app, explaining when the '*freeze*' is removed the customer wouldn't be able to gamble for another 48 hours. Lloyds described these measures as empowering customers to take proactive steps in managing their gambling activities.

Lloyds confirmed there is a note currently added to Mr H's profile explain he may need support with gambling, the evidence I have seen confirms this was added the day Mr H

called Lloyds. I have also listened to the call Mr H made to Lloyds, having done so, I didn't hear anything which persuaded me Lloyds acted unreasonably or unfairly during this call.

From the evidence I have seen, it doesn't appear to me there was any reasonable cause for Lloyds to contact Mr H or manually check his account during the period in question. I appreciate Mr H has explained he thinks this wasn't usual activity for him and he had been a customer for eight years, and these transactions should have triggered Lloyds, but as I have explained, this unfortunately does not necessarily follow.

I am therefore not persuaded it is reasonable or fair to expect Lloyds, in these specific circumstances, to have recognised or flagged Mr M's account for further intervention and I therefore also don't think it would be reasonable or fair to hold Lloyds liable for the losses Mr H sadly suffered.

Finally, I do appreciate this will be disappointing for Mr H but I trust I have explained why I cannot hold Lloyds responsible for his losses. I would like to convey my decision not to uphold Mr H's complaint should not in any way detract from what has clearly been a difficult time for Mr H. I am pleased he has been able to access support and has successfully stopped compulsive gambling.

My final decision

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 June 2025.

Gareth Jones
Ombudsman