

The complaint

Mr S complains that Lloyds Bank PLC allowed him to make online gambling payments, and that it failed to support him or prevent further payments once it had been notified of his gambling problem. He complains that he has been mentally and financially affected due to the money he lost and would like his gambling transactions reimbursed.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving the reasons for my decision, which covers the transactions Mr S has complained about up until 16 April 2025 – when Lloyds responded to his complaint. I should mention that Mr S has recently pointed to other instances of gambling through his Lloyds account. But as Lloyds hasn't had a chance to review those transactions, I haven't considered them as part of this decision. Mr S will need to contact Lloyds separately should he wish to raise his dissatisfaction in that regard.

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, I agree with the conclusions reached by the Investigator for these reasons:

- In accordance with the Payment Services Regulations, Lloyds is expected to process the payments and withdrawals that Mr S authorises it to make. Broadly, Mr S is entitled to spend his money as he chooses, and this includes making transactions relating to gambling. Most banks don't generally monitor accounts for gambling transactions, so a bank won't ordinarily know its customer has a gambling problem unless the customer tells it, or if the account is reviewed for some other reason, such as if its customer's spending pattern triggers the fraud detection algorithms.
- I've seen no evidence of Mr S' account being flagged for fraud concerns, and no other activity which would likely have led to a manual review. I note Mr S' account entered its unarranged overdraft on two occasions, but Lloyds' terms allow for this. Further, I wouldn't have expected just two instances of relatively low unarranged overdraft use to have prompted a manual review from Lloyds.
- But even if someone *had* reviewed the account, I don't think it would have been obvious that Mr S needed help, or that he had characteristics of vulnerability (such as a gambling addiction). I say this as the gambling transactions were generally for small amounts and were not made in quick succession. And so, I wouldn't have expected Lloyds to have proactively contacted Mr S about his gambling.
- I've considered Mr S' correspondence to Lloyds on 4 December 2024. Lloyds has no record of being contacted on or around this date by Mr S regarding his gambling issues. Had Lloyds received Mr S' correspondence, I think it's likely a gambling block would have been applied to Mr S' debit card. Whilst it's unclear where the fault lies

with the missing correspondence, I'm mindful that in the period this decision covers, only one further gambling transaction was made following Mr S' attempted contact with Lloyds in December 2024, and it wouldn't have been stopped by a gambling block on his card. I say this because, generally, a merchant category code, which is applied to the transaction by the merchant, is used to trigger the gambling block. But Lloyds has said the transaction mentioned above wasn't processed by the merchant as a gambling, betting or online casino transaction. Because of this, the payment would likely have been completed, even if a block had been applied at the time.

- Lloyds paid Mr S £100 to make up for not responding to his query in December 2024. In addition, his card now has a gambling block applied, and Lloyds has provided details of various support services in its final response. Based on what I've said above, I think the actions taken by Lloyds are fair. And while I appreciate Mr S may be disappointed with this outcome, I don't think it would be appropriate for me to direct Lloyds to do anything further in relation to the matters addressed in this decision.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 August 2025.

James Akehurst
Ombudsman