DRN-5638298

The complaint

Mr J has complained that HSBC UK Bank Plc ("HSBC") allowed him to spend £900,000 from his HSBC accounts within a 12-month period on gambling transactions.

Mr J says that HSBC should've prevented him from making these transactions as it was evident that he had a gambling problem.

What happened

Mr J says that between 2017 and 2019, he made in excess of 6,000 gambling transactions totalling approximately £900,000, from his HSBC personal and business accounts to online gambling companies.

Mr J says he gambled until his balance reached zero, at which point he'd find more money to gamble with. Mr J says he borrowed money from friends and family, and from his business account to fund his gambling habit. Mr J says that his parents gave him around £300,000, which he says he lost on gambling transactions.

Mr J complained because he says HSBC should've noticed from the transactions on his account that he had a gambling problem and that it should've stepped in to prevent him from gambling further. Mr J would like the money he'd received from his parents and lost on gambling transactions to be paid back to him by HSBC.

HSBC issued its final response to the complaint and it didn't uphold the complaint. In summary, it said that it was up to Mr J to decide what he spent his money on and said that Mr J never told HSBC that he had a gambling problem.

After Mr J referred his complaint to this service, one of our investigators assessed the complaint and they didn't uphold the complaint.

As Mr J disagreed with the investigator's assessment, the matter was referred for an ombudsman's decision.

As the investigator has explained, this complaint only concerns the transactions on Mr J's personal account. Therefore, I won't be commenting on any of the transactions that may've occurred on his business account.

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 reviewed everything, I don't uphold this complaint for broadly similar reasons that the investigator gave. I will explain why.

Mr J has complained that HSBC allowed him to make many payments from his personal account and his business account to gambling companies from 2017 until his account was frozen. However, the starting position at law is that a Payment Service Provider such as HSBC is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

I understand the basis of Mr J's complaint is that he says HSBC should've intervened and offered him support. And I would've expected HSBC to have offered Mr J with support, if he'd told HSBC that he had a gambling problem or a compulsive spending issue. But I can't see that he did that. On the contrary, Mr J says that HSBC blocked a number of his transactions to gambling companies and each time he says he took steps to unblock his account so he could continue to gamble – at no time did he say to HSBC that the spending on his account was out of control or causing him harm. And although there were periods when Mr J's account did go overdrawn due to gambling transactions, it seems he was still able to regularly credit significant amounts of money back into his account to bring it back to a credit balance.

So in the circumstances, given that he didn't tell HSBC that he had a gambling problem, then the starting position here is that HSBC is not at fault for not providing Mr J with support, essentially because it wasn't told that he needed it.

Having said that though, I do think there are times, where, if it becomes obvious to a financial business that its customer is vulnerable, for example if a business manually reviews a customer's account and there are an extreme amount of payments being made to payees who are clearly gambling companies, then I do think that financial businesses should offer support in those situations.

In this case, looking at the high volume and frequency of payments being made to gambling companies (even when disregarding the transactions where it is not clear that the payee was a gambling company), I think there are grounds here to say that it would've been obvious to HSBC, if it had reviewed his account, that Mr J was vulnerable and that perhaps HSBC should've contacted Mr J to see if he needed further support. However, even if HSBC had done that, I don't think that this would've made Mr J act any differently.

I say this because firstly, Mr J says that HSBC did block many of his gambling payments. However, despite that, Mr J says that each time it was, he ensured that the card was unblocked so that he could make further transactions - as he says he was desperate to continue gambling in the hope of winning back what he'd lost.

Furthermore, and more importantly, HSBC didn't develop a gambling specific block until November 2019 – which was some time after Mr J's ability to make payments from his account had already been completely removed by HSBC. During the period that Mr J made the gambling transactions, there was no specific requirement that HSBC have a gambling specific block available to its customers. So, even if HSBC had offered support to Mr J in 2017, 2018 or early 2019, a gambling specific block was not something it could've offered him. And, although I suspect that HSBC could've offered to block all transactions on Mr J's debit card, I doubt that Mr J would've agreed to such a block. I say this because, when HSBC did block payments, he says he took steps to ensure the block was removed. And secondly, I can see that Mr J was still regularly using his account for non-gambling purposes as well, so I doubt he would've agreed for all spending on his account to be blocked.

Although HSBC wasn't able to offer a gambling specific block, it could've arguably been able to have discussed Mr J's wider financial circumstances to see what other types of support it could've offered – for example by signposting Mr J to gambling support organisations. However, again, I'm not persuaded that Mr J would've acted any differently, even if HSBC had done that. I say this because, HSBC asked Mr J to attend an appointment in branch on 28 June 2018 to discuss transactions on his account. This would've been a good opportunity for HSBC to discuss Mr J's circumstances and the nature of the transactions on his account - but he didn't attend. And even though the appointment was rearranged for 2 July 2018 and then 4 July 2018, Mr J didn't attend any of those appointments either.

Furthermore, in early 2019 HSBC reached out to Mr J by text message and letter regarding his account, as by then it had entered an unarranged overdraft. Indeed, some of the letters included information about third party organisations Mr J could contact for support. But despite that, again Mr J chose not to engage with HSBC, nor does it seem (at least from the information I've seen) that he contacted any of the organisations he'd been referred to by HSBC. Therefore, given that Mr J was clearly not engaging with HSBC when it *did* try to reach out to him to offer support, it seems highly unlikely to me that Mr J would've acted any differently even if HSBC had reached out to Mr J about the spending and gambling on his account.

Eventually, as HSBC had unresolved concerns about transactions on Mr J's account, HSBC took the decision to no longer offer Mr J with banking facilities. This is a significant step for HSBC to take, but in the circumstances, I think that HSBC's decision to do this was fair and reasonable. And given that Mr J was, by and large, able to service his account (despite the large amounts he was spending on gambling) before that point in time, then I don't think that HSBC necessarily ought to have done that sooner. But when HSBC did decide to withdraw the banking facilities from Mr J, I'm satisfied that it took reasonable steps to contact Mr J regarding the overdrawn balance on his account too.

So, taking everything into account, I don't think that HSBC acted unfairly or unreasonably here. And even if I were to conclude that HSBC should've identified, at some point between 2017 and 2019, that Mr J was vulnerable and offered him additional support, I don't think that Mr J would've acted any differently than he did.

Finally, I note that Mr J has said that HSBC allowed him to 'fraudulently' (using his own words) take money from his parents' account and also from his business' account. But it is up to the owners of those accounts to dispute those transactions or to complain about those transactions – and I say that bearing in mind I'm only considering this complaint with Mr J acting in a personal capacity. But in any event, even if I were to conclude that HSBC should've prevented Mr J from making those (as he says) fraudulent bank transfers into his personal current account (although I'm not actually saying it should've), I can't reasonably say that HSBC should be reimbursing the perpetrator of that 'fraud' for any losses the victims incurred – which is effectively what Mr J is asking me to do here (although I do appreciate that Mr J wants to recover the money, so he can repay the money to his parents).

As such, whilst I'm sorry to hear about the devastating impact Mr J's gambling problem clearly had on him, based on everything I have seen here I don't think it would be fair or appropriate to say that HSBC should be held responsible for the gambling losses that Mr J sadly incurred.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 August 2025.

Thomas White
Ombudsman