

The complaint

Mr H complains that Lloyds Bank PLC failed to support him or block gambling transactions on his account.

What happened

In September 2024 over two days Mr H spent over £90,000 on gambling transactions. None of the transactions were flagged by Lloyds. He then put a gambling freeze on his account but then was able to spend over £20,000 with another gambling company by making faster payments.

Mr H contacted Lloyds in October 2024. At that stage it gave him advice about the gambling freeze and other steps he could take to restrict his account. He was also referred to other organisations which could provide him with support. In respect of gambling payments, it said it would only contact him if the payments were flagged as being potentially fraudulent and, in this instance, none of the payments were flagged by its fraud prevention system. As regards the £20,000, these were faster payments which were not covered by the gambling freeze. It recognised that Mr H had had poor service in respect of one phone call and made a payment of £50.

Mr H didn't accept this. After he made his complaint to the Financial Ombudsman Service, he has advised us that he was vulnerable and suffered from ill health, and as a result turned to gambling. He had previously had an account with a different bank which had a gambling freeze on it. He also pointed out that he'd carried out a number of transactions of similar amounts which were flagged and couldn't understand why the payments to gambling companies were not similarly flagged. He believes that if Lloyds had contacted him sooner about the gambling payments, he would have stopped gambling.

On referral to this Service, our Investigator said Lloyds had taken all relevant factors into consideration, and had acted fairly and reasonably,

The matter has been passed to me for review.

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.

In respect of the previous decisions by this Service Mr H has drawn our attention to, I should explain that all decisions are decided on their own facts and their own merits. In any event it appears to me that the facts in those cases are different from those here.

Mr H's account was opened in March 2024, following a switch from another bank. Whilst I note that that bank may have had personal details about Mr H and that he had a gambling freeze on his former account, that information would not have been passed on to Lloyds.

From my review of Lloyds' contact notes, I haven't seen any evidence that Mr H informed

Lloyds of his gambling problems or put a gambling freeze on the account until September 2024. I am sorry that he has suffered health problems which led him into gambling substantial amounts of money. But again, if he had such problems, it was up to him to make Lloyds aware of them.

The presence of gambling doesn't automatically mean that someone is vulnerable or compulsively spending. It could be an indication of vulnerability, but it wouldn't be suitable for Lloyds to assume that a customer needs additional support just because gambling transactions are being made. Mr H was in contact with Lloyds over a number of months, mostly for releasing large payments. But as he didn't tell Lloyds about any problems he may have had in this respect until October 2024, it couldn't act on them until then. I see that it has now made a record of the problems.

Banks do need to have systems in place to identify whether its customers are having problems managing their spending. It is however important to note that bank accounts are not manually reviewed. So, in order for Lloyds to know that its customer might be having a problem it would need to be alerted to identify unusual spending on the account. In the absence of Mr H telling Lloyds this could be:

- The transactions themselves being identified as possibly fraudulent.
- Having financial problems e.g. if the account is frequently overdrawn or over the limit. Or he had applied for loans or credit from Lloyds.
- Unusual and/ or out of character account activity.

As Mr H has been informed, gambling transactions would not result in any alert unless they were flagged as fraudulent for any other reason. In Mr H's case while the transactions added up to considerable sums they were mostly carried out in groups of smaller transactions. However, here I assume that the individual payments weren't large enough to be flagged as a fraud alert. And I don't think this was a fault of Lloyds' system. If the accounts were to be looked at manually the series of payments would obviously be identified, but something would need to trigger such a review.

There's no indication on the statements of any financial difficulty, the account never went overdrawn. And as far as I'm aware Mr H didn't apply for any loans or credit with Lloyds in March to October 2024.

As for identifying unusual activity, I have to bear in mind that Mr H's account was only opened in March 2024. So, there was only a period of six to seven months to consider, which we wouldn't consider to be sufficient time to establish a pattern of spending. And during that period, very substantial amounts went in and out of the account. As far as I can see these were mostly transferred to other savings accounts. In particular I can't see that any substantial sums were spent on gambling apart from payments at the end of June and another set in July.

Mr H spent substantial sums on gambling from early September 2024. Over a two-day period, before the gambling freeze took effect on 17 September, Mr H spent around £93,000 on gambling. After this the gambling freeze was effective. And no further payments were made to that gambling company which was the one Mr H had been mostly using for gambling. After that date Mr H continued to transfer large sums of money but apart from the £20,000 faster payments, there is no further evidence of gambling on Mr H's account.

I don't think there is sufficient evidence to persuade me that Lloyds would have been aware of Mr H's gambling earlier. And, although the payments out in September were higher than

some previous months, they were similar to the spend in April and lower than the spend in May 2024.

With regard to the faster payments to another company, these were not stopped by the gambling freeze. But I think that Mr H was aware that this was the case as he had a freeze on his previous bank account. Also, this is applied through the app and I'm satisfied that sufficient information is given about what the freeze does and doesn't cover when the customer selects it on the app.

With regard to the call on 25 October, I understand this was disconnected before the adviser could go through what support could be offered. I understand that Lloyds accepted that better support could have been offered on that day when Mr H called back and spoke to an adviser on the next day. I think the £50 paid in this respect was fair and reasonable to reflect the poor service on that particular call.

I think overall that because of the way Mr H used his account, the gambling transactions carried out would not have flagged any review into his account, even by the time he substantially increased his spending on gambling. And as this was over such a short period of time in my view there wouldn't have been any time for Lloyds to intervene in such a way as to prevent this gambling. And after Lloyds provided information about various restrictions Mr H could place on his account, I note that he decided to keep the account as it was. So, I don't think that Lloyds should refund any of the gambling payments.

I'm further satisfied that when Lloyds became aware of Mr H's problems it did take sufficient action to support him and paid appropriate compensation in respect of the poor service in one telephone call.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 October 2025.

Ray Lawley
Ombudsman