

The complaint

Ms F complains that Nationwide Building Society failed her in its duty of care by allowing her to gamble excessively causing financial and mental harm. She would like Nationwide to refund the gambling transactions and pay compensation.

What happened

From May 2023, Ms F used her Nationwide account to gamble using a variety of gambling platforms. Sometimes these transactions were paid directly from her account, but at other times they were made using a third-party company.

In January 2025, Ms F reached out to Nationwide to make it aware of the extent of her gambling and ask for help. She also raised a complaint about its lack of monitoring of her account which she says would've prevented her from losing the money she did.

Nationwide investigated the complaint and said it hadn't done anything wrong. It said the activity on Ms F's account was normal for her and so didn't trigger that any intervention was necessary. Ms F went back to Nationwide at which point it made her aware of the gambling block that could be placed on her account. It apologised it hadn't mentioned this block before and refunded two transactions between 16 January 2025 and 30 January 2025 also paying £75 compensation. Ms F remained unhappy and referred her complaint to this service where one of our investigators considered the concerns raised.

Our investigator sympathised with the position Ms F found herself in but didn't believe Nationwide had done anything wrong. They said the activity on the account wasn't unusual for her and that there hadn't been any contact from Ms F which would've prompted Nationwide to review her account. They went on to say banks and building societies don't monitor accounts manually and rely on algorithms to detect unusual activity prompting manual intervention. In this case, there was no unusual activity. So, they didn't uphold the complaint. Ms F disagreed with our investigators opinion and asked for an ombudsman to review her complaint again. So, it's 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.

It's very clear to me that Ms F has lost a considerable amount of money because of her gambling. And this has severely affected her health as well. I'm very sorry that's the case and hope that she is getting the support she needs to recover.

Having said that, and I know this will come as a great disappointment to Ms F, but I'm not going to uphold her complaint.

I've set out above what happened on Ms F's account. She was gambling using several companies, sometimes paying directly to them, but at other times using a third party to pay the money from (effectively Ms F paid money to the third-party company which in turn

passed the money on to the gambling site). Gambling transactions, and the amount of money being spent on a daily/weekly basis, weren't out of the ordinary for Ms F. Her account remained within any arrangement she had with Nationwide.

When a customer opens an account with a bank or building society, the bank undertakes to make payments which are authorised by the customer. That's a reasonable expectation. It's not for the bank to challenge how a customer spends their money – unless there are situations where the bank is alerted to the fact that something may be wrong. At which time it should contact the customer to see if all is well and whether any help is needed.

Nationwide can't be expected to monitor individual customer accounts to analyse spending. That would be a totally unreasonable expectation to place upon it. So, it would only review account activity if technology flagged something out of the ordinary, or the customer contacted it to ask for credit or seek other assistance. Technology will normally highlight if there are particularly large transactions (which may be fraudulent) or there are an excessive number of transactions going through the account. Ms F's transactions weren't for excessive amounts, and the number of transactions didn't substantially change. So, I don't think it's unreasonable that Nationwide didn't pick up on the account activity and contact Ms F proactively.

Ms F didn't tell Nationwide about her problems until January 2025. At which point it offered help (albeit late). I'm pleased to see that Nationwide acknowledged a gambling block should've been offered on Ms F's first contact and refunded the transactions which had taken place between 16 January 2025 and 30 January 2025. I think if Ms F had told Nationwide about her problems sooner, it would've offered the same help at that time. The block remains in place as far as I'm aware.

The gambling block however isn't guaranteed to stop every gambling transaction. It can only stop transactions which identify as gambling through a Merchant Categorisation Code (MCC). If the code used by an organisation is wrong, or if the transaction comes from overseas where the same coding may not be used, the block wouldn't work.

The block also doesn't work where the gambling is paid for through a third party. That's because the third party's MCC will register not the gambling site. So, in Ms F's case, even if the block had been placed sooner, some of the transactions would still have gone through. That's not Nationwide's responsibility. It can only make sure that if a block is requested it's placed on the account and remains there unless a customer asks for it to be removed. Having looked at the contact history, Ms F hadn't contacted Nationwide to ask for a block to be placed.

I've looked at Nationwide's website and can see there's a section which deals with gambling and what a customer can do. I think it's reasonable that Nationwide has this information readily available on its website alerting its customers to the options available to them if they feel they have problems with gambling. I note the webpage also gives information on how any block works.

In conclusion, I don't think anything happened on Ms F's account to alert Nationwide to potential problems, and I've seen no evidence of contact from Ms F being ignored. So, I don't believe Nationwide could, or should, have done any more to prevent Ms F's losses.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or

reject my decision before 23 October 2025.

Stephen Farmer
Ombudsman