

The complaint

Mr K complains that Royal Bank of Scotland PLC (RBS) allowed him to gamble more than £11,000 in just over a week without any intervention which would have prevented the financial harm suffered by Mr K.

What happened

Mr K has maintained an account with RBS for many years, operating it in an entirely satisfactory way. However, Mr K began gambling and, recognising the danger, excluded himself from a certain gambling operator's website. But he didn't at that time reach out to RBS. He then had a brief period where he gambled significantly on his RBS account. He complained to RBS because he said it should've recognised the unusual operation of the account and stopped the transactions.

RBS empathised with Mr K's situation but said it had no prior knowledge of Mr K's gambling problem and it couldn't block gambling transactions without explicit consent from the customer. It said there were measures Mr K could put in place to stop future harm, but it couldn't uphold his complaint. Mr K disagreed and brought his complaint to the Financial Ombudsman Service where an investigator considered the merits.

The investigator said RBS hadn't done anything wrong. They believed all the transactions had been made by Mr K and were therefore not fraudulent in any way. Mr K had not attempted to put any blocks on his account with RBS to prevent gambling and as there had been previous intermittent gambling transactions, the investigator didn't feel that RBS's systems would or should have picked them up. Mr K focuses on RBS's duties to its customer under Consumer Duty and our investigator said they did not consider RBS had failed in that duty. Mr K disagreed. He said RBS has failed due to foreseeability of harm, evidence of vulnerability, complaint handling failures and mischaracterisation of account history. He also cited a previous decision on the Financial Ombudsman Service website which he said established a precedent. Mr K asked for an ombudsman's decision and 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.

Although I appreciate this will be a deep disappointment to Mr K, I'm not upholding his complaint. I acknowledge the courage it's taken to bring his concerns to the attention of both RBS and the Financial Ombudsman Service and hope he is now receiving help.

RBS's overriding obligation is to make the payments that Mr K asks it to make. So, being satisfied that Mr K did make, and authorise, all the payments to the various gambling companies, I don't find that RBS was at fault by paying them.

Mr K says the spending was out of character and should have been picked up by RBS and challenged. The algorithms used by banks highlight potentially suspect or fraudulent

payments. Here, Mr K had used gambling sites in the past and so I couldn't say that a gambling transaction would be seen as unusual. Also, the algorithms are typically triggered by transaction value. I don't consider any of the individual transactions would have prompted an alert. Whilst the amount of money spent over a week was high, RBS aren't required to monitor individual accounts. And no transaction caused the account to breach any limits set.

Mr K points to the consumer duty and says that RBS has a duty to prevent foreseeable harm. That is the case. But the duty does say "businesses are responsible for addressing the risk of harm when it is reasonably foreseeable". I don't think the financial harm of the gambling was reasonably foreseeable to RBS. Mr K has said in his submission to the Financial Ombudsman Service

- "Recognising that my gambling behaviour was becoming harmful, I took proactive steps to limit my access to certain gambling platforms.
- This was a deliberate attempt to protect myself from further harm.

Mr K was aware that he had a potential problem. He placed a block on the gambling website but didn't alert RBS to his problem. Had he done so, I have no doubt RBS would have highlighted the gambling block as it did when Mr K raised his complaint. But, at the time Mr K made the transactions on his account, he hadn't made RBS aware of the problem he was experiencing and so I don't think RBS could have foreseen harm.

Mr K has also said in his submission

- I visited my GP and informed them that I was struggling with my mental health
- Although I told my GP that I did not require further intervention, this was not the truth.

I appreciate Mr K's honesty but believe this highlights Mr K would most likely not have shared his vulnerability with RBS. So, I'm not persuaded RBS should have been aware of a vulnerability. The GP has said there were no prior notes referring to mental health issues and so RBS wouldn't have been aware of anything prior to this incident.

Finally, I cannot comment on how RBS has handled Mr K's complaint as complaint handling is not a regulated activity.

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 Mr K to accept or reject my decision before 26 January 2026.

Stephen Farmer
Ombudsman