

The complaint

Mr U complains that Barclays Bank UK PLC trading as Barclaycard didn't do enough to stop his credit card being used for gambling transactions.

What happened

Mr U used his credit card to make multiple deposits to two different online gambling operators. He said that both operators aren't licensed by the UK Gambling Commission; which he wasn't aware of as both operators appeared professional, their websites were in English and accepted UK issued credit cards.

Mr U says that he is registered with GamStop; and the operators shouldn't have accepted his deposits. He also adds that Barclaycard shouldn't have processed the transactions as UK law prohibits the use of a credit card to make gambling transactions.

Mr U says that he lost approximately £6,000 as a result of the transactions being processed. He said he needed these funds for everyday living expenses, so he has been caused financial difficulty. He said that he has a gambling addiction, and being able to make these deposits has worsened his addiction and had a serious impact on his health.

Barclaycard looked into Mr U's complaint, but it didn't uphold his concerns. In summary it said:

- The MCC code that was used by the merchant to categorise the transaction type didn't show the transactions were for gambling which is why the payments went through.
- Mr U doesn't have rights under Section 75 of the Consumer Credit Act, or chargeback rights.
- Mr U had authorised the transactions and so there wasn't more it could do to help him.

Mr U didn't agree with the way Barclaycard had handled his complaint. He said that Barclaycard hadn't acknowledged its legal and regulatory responsibilities. He said that since April 2020, UK law has prohibited the use of credit cards for online gambling, however Barclaycard still processed the transactions. It also ignored clear indicators of a gambling problem.

An Investigator considered the evidence provided by both parties, but they didn't think Mr U's complaint should be upheld. They explained in detail why they didn't think Barclaycard had acted unfairly or unreasonably in relation to the transactions on Mr U's account.

Mr U didn't agree with the Investigator. He said that the Investigator had unfairly placed the responsibility on him for a failure within Barclaycard and Visa's systems. He added that the fact gambling merchants were able to disguise transactions using incorrect codes shows a clear weakness in the banks monitoring and compliance controls. He also said that under

Consumer Duty, Barclaycard had an obligation to identify and prevent foreseeable harm, particularly given his vulnerability and self-exclusion from gambling.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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 considered all of the available evidence, I've decided not to uphold Mr U's complaint. I appreciate this decision will come as a disappointment to him, as I can see how strongly he feels about what's happened. However, I will explain how I have reached my outcome below. But before I do that, I want to make it clear that I have read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

There isn't much more a can reasonably add to what the Investigator has already explained to Mr U. Because of this, I have focussed my decision to answer the points Mr U has raised in response to the Investigator's view.

As I understand it, Mr U believes that he has taken responsibility for a failure in Barclaycard's and Visa's processes. I can't make comment on Visa's processes – that's because this decision is about the actions of Barclaycard; and in any event, this Service doesn't have the power to consider a complaint about Visa.

That said, based on the evidence that's available, I haven't seen that there has been a failure in Barclaycard's processes. I say this for a number of reasons:

- Barclaycard has no influence over the MCC code used to process the transaction – it is the acquiring bank who decide what code to use. So, where the gambling transactions have been processed with a code that doesn't relate to gambling, as has been the case here, Barclaycard has no way of knowing that the transaction is gambling. Because of this, it isn't unreasonable that it allowed the transactions to be processed.
- While Mr U is correct that UK law prevents gambling transactions on credit cards; this law was initiated to stop gambling merchants from allowing transactions to be processed on credit cards. There is no law or regulation stating that lenders can't process gambling transactions on credit cards. Some lenders have put measures in place to try and prevent gambling using its credit cards as a result of the change in the law. But there is no requirement for it to do this. And it can only try and stop the transaction where it has been correctly categorised as gambling using an MCC code. Therefore, I can't fairly find that Barclaycard had done anything wrong in processing the transactions for this reason.
- I've also looked at the volume of transactions; and as the Investigator has explained, the individual amounts are relatively low, so they are unlikely to trigger Barclaycard's systems for other reasons. And even if they had triggered Barclaycard's systems; and it questioned Mr U about the transactions; this still wouldn't prevent future gambling transactions from being processed where a non-gambling MCC code had

been used.

So overall, as I've explained, I haven't seen any evidence to satisfy me that there was a problem with Barclaycards systems that allowed the transactions to go through.

I've also thought about whether Barclaycard did enough to help Mr U get his money back; and I think it has. I can see that it considered both the chargeback process and Section 75; but neither of which it thought would entitle Mr U to a refund. I also agree with it here for the following reasons:

- Barclaycard didn't raise a chargeback for Mr U for the transactions he disputed. I don't think this was unreasonable in the circumstances. The process is overseen by the card scheme – in this case, Visa. Card schemes set out various rules covering things such as what sort of scenarios are eligible for chargeback, the kind of evidence required, and the timescales for a chargeback to be raised. Having considered all of the relevant codes Barclaycard could have processed the chargeback under, I don't think it was unreasonable of Barclaycard to conclude that a chargeback wouldn't have had much prospect of success. I say this because while the MCC code used didn't relate to gambling; there were other evidential standards that also needed to be met in order for the chargeback to be raised – for example, Mr U would need to prove that had the correct code been used, then the transaction would have been blocked. He would also need to be able to show that the transactions were exactly what he claimed they were for; and not the MCC code that indicated what they were – to evidence that there had been a misrepresentation, which can be very difficult to do. Therefore, I don't think Mr U has lost out by Barclaycard not processing chargebacks for him.
- I can see that Barclaycard also considered whether Mr U had a valid Section 75 claim, but it didn't think he did. Again, there are certain requirements that need to be met in order for the claim to be valid. One of these is that the cost of the transaction needs to be between £100 and £30,000. In this case, many of the transactions were less than £100; and therefore, don't meet the requirement for a valid claim. For the transactions that were more than this amount, Mr U would need to be able to show that the merchants had either breached their contract with him, or that a misrepresentation had occurred which induced Mr U into taking out the contract. But I haven't seen any persuasive evidence to show that there was either a breach in contract or a misrepresentation; and therefore, I don't find that Barclaycard had unfairly assessed Mr U's claim.

Overall, I think Barclaycard considered the ways it could help Mr U to get a refund which is what I would have expected it to have done. But I'm not persuaded it treated him unfairly by not providing him with a refund, when considering either the chargeback scheme or Section 75.

I have also thought about whether Barclaycard acted in line with the Consumer Duty rules when dealing with Mr U; and I haven't seen anything to suggest that it hasn't. Consumer Duty doesn't override the way a firm should consider a claim under Section 75 or chargeback; so there was nothing more it needed to do for Mr U there. Mr U is right in saying that Barclaycard had a responsibility to identify and prevent foreseeable harm; I can understand why Mr U feels that Barclaycard didn't do this, given his circumstances. But in the circumstances of what had happened, Barclaycard wasn't able to identify the transactions as relating to gambling, for reasons I have already explained. This isn't the fault of Barclaycard. And there really is little more it can reasonably do in these situations to

prevent transactions going through. So I don't find that Barclaycard has acted unfairly here either.

My final decision

For the reasons I've set out above, I don't uphold Mr U's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 20 May 2026.

Sophie Wilkinson
Ombudsman