

The complaint

Mr A complains that Bank of Scotland plc trading as Halifax failed to advise him about putting a gambling block on his account and as a result, he has made gambling losses.

What happened

Mr A has advised us that he is a gambling addict. In 2019 and again in 2021 and 2023 he tells us that Halifax refunded money he'd lost on gambling transactions. Because of this Halifax had applied a strict indicator to his account. This limited his ability to obtain credit so he couldn't spend it on gambling.

Mr A tells us that he thought that the strict indicator prevented gambling. When he contacted Halifax for support it recognised that he was a gambling addict but failed to advise him about his ability to put a gambling block on his account.

As a result, he tells us that during the period December 2023 until February 2025, he lost over £1,700 gambling. He requested that Halifax refund his gambling losses and pay compensation.

Halifax said that having reviewed Mr A's calls with it on 30 November 2023, it should have done more to inform Mr A about the support that is available including support from external organisations. So, it paid £250 compensation. However, as it wouldn't proactively approach customers to place a freeze on their card, it declined to refund any gambling losses.

Mr A says that as a result of Halifax's failure, he suffered significant emotional and financial harm. and had to take advance wages from work to cover debts. The situation affected his mental health and placed undue strain on his family life.

I issued a provisional decision. In it I said that, whilst I thought the compensation paid was fair and reasonable, Halifax should pay £632 of Mr A's gambling losses.

Halifax and Mr A disputed my provisional findings. I've set out my response below.

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.

The following were my provisional findings:

"I've noted that Mr A has previously had a series of refunds for what he says were gambling losses, from Halifax. But I've noted that those refunds related to irresponsible lending rather than gambling. The first two refunds were in respect of an overdraft Halifax says shouldn't have been given to Mr A and the third was in respect of a credit card. In the latter case Halifax had noted that due to a gambling addiction Mr A shouldn't have been allowed to obtain credit from Halifax. So, it refunded the balance on the credit card.

So those refunds weren't directly for gambling losses even if the money borrowed had been

spent on gambling. But what I have noted is that Halifax had advised Mr A about the strict indicator that could be put on his account to prevent further credit being given to him. And it had noted on his account record that this was because of his gambling addiction.

I understand that the indicator had to be renewed from year to year, and this was last done in November 2024.

Mr A hasn't said why he started gambling again but I do accept that as an addict he could relapse. I believe this shows the importance of tools such as gambling blocks to assist people in Mr A's circumstances.

Halifax says that it should have offered Mr A more support in November 2023. This is the reason why it paid £250 compensation. But it says it wouldn't proactively approach customers to put a freeze on their account. It seems to me that that is at odds with providing support. My view is that Mr A clearly needed support because of his gambling addiction. This was not just in relation to lending him money. I think it should have told him of his ability to put a gambling block on his account.

As to whether Halifax should refund Mr A's gambling losses, I don't think that past refunds are relevant in this case. But I do accept that Mr A thought that the strict indicator would prevent further gambling losses. And in that event, I think it follows that Mr A would have been surprised to find that he was still able to gamble. I've also noticed that the transactions carried on throughout 2024 until February 2025. I think it reasonable to suppose that Mr A, after having found that he was able to gamble, would have then contacted Halifax to query the position. And the block could then have been put on.

And I think it would be reasonable to expect that Mr A would have done this by the end of January 2024. At that stage he had incurred gambling losses of £632. I think that had he been able to put the gambling block on his account it's likely that this would have blocked the sort of transactions that he was carrying out, which appear to be with UK gambling sites. I've noted also that once the gambling block was put on the account, he doesn't appear to have carried out any further gambling. So, I think that Halifax should refund the £632 gambling losses, with interest as set out below.

If a customer was gambling heavily then it might have been expected that Halifax would notice this. But in my experience of looking at such cases, the loss of around £1,700 over a year would be regarded as modest and not an indicator of addiction. For example, Mr A didn't gamble in February and March, nor from the end of May until mid-November 2024. The account was not overdrawn during that period. And there is no indication of any further borrowing on the account.

I've taken that into account, but whilst I do appreciate the emotional and financial distress caused to Mr A, and considering awards we've made in similar cases, I do think that compensation in respect of distress and inconvenience, of £250, is fair and reasonable."

Halifax said in response:

Its letters explained to Mr A that the restriction (strict flag) on his account stopped him from being able to take out further lending. When responding to his complaint in April 2021, it explained to him that whilst he could use its mobile app to block payments to gambling retailers, it is unable to completely block gambling payments from his account.

It has sent us copies of calls made in November 2023 and 2024. And its final response letter for a previous complaint explained that the block placed on his account would prevent him being able to take out further lending.

I have no issue with the previous complaints, which concern irresponsible lending, as I've said in my provisional findings. With regard to advising Mr A about the gambling block, this wasn't discussed in any of the telephone calls provided.

The final response letter of April 2021 does refer to the gambling block. Mr A has advised Halifax that he has difficulty with long letters and this was a small part of a letter dealing with other things. I believe he is more responsive to telephone conversations. And I've noted that this wasn't mentioned in the phone calls of November 2023 or November 2024 though Mr A mentioned his gambling addiction. And Halifax has agreed that it should have offered better support in November 2023. Which in my view should have included the fact that the strict indicator only stops more lending and the ability to put a gambling block on the account.

So I'm still persuaded that Halifax should pay the gambling losses as I've set out below.

Mr A said:

The harm caused was not limited to January 2024. The bank's failure persisted for over a year, from November 2023 to February 2025, during which gambling transactions continued to be permitted.

In comparable decisions by this Service, full reimbursement of gambling losses was ordered where a bank failed to implement or communicate appropriate safeguards for a known vulnerable customer.

He respectfully suggests that it would be fair and reasonable for Halifax to:

- Refund the full gambling losses of £1,744.75, or
- Alternatively, provide an enhanced goodwill payment in recognition of the ongoing harm, beyond the £632 and £250 already proposed.

As I've said in my provisional findings, I believe that Mr A thought the "strict indicator" prevented further gambling. But given that I also think it fair to assume that when he found that he could carry out the gambling transactions in January 2024 he would have thought to contact Halifax to ask why he was still able to gamble. And if he'd done that it's likely that he would have been advised about the gambling block.

Previous decisions by this Service can be helpful. But every case is different and decided on its own particular facts. I don't think this decision is inconsistent with our general approach to gambling. So I think in this case it would be fair for Halifax to refund the gambling transactions as I've noted below.

Putting things right

Halifax should refund £632 gambling losses to Mr A together with interest* at 8% from 31 January 2025 until the date of repayment.

*HM Revenue & Customs may require Halifax to deduct tax from any award of interest. It must give Mr A a certificate showing how much tax has been taken off if he asks for one.

My final decision

I uphold the complaint and require Bank of Scotland plc trading as Halifax to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 December 2025.

Ray Lawley
Ombudsman