

The complaint

Mr L complains that Nationwide Building Society failed to apply appropriate safeguarding measures to his account when it knew, or ought to have known, that he had a gambling problem.

What happened

Mr L has a basic account with Nationwide, which he opened in October 2024. In spring 2025 he started using the account for gambling transactions. On 12 May 2025 Nationwide contacted him because it wanted to talk to him about recent activity on the account. Mr L went to a branch, where he was told that there was a block on his card as a result of four payments of £100 to a gambling firm. Mr L confirmed that he had made the payments, and the block was lifted.

Over the following two days, Mr L made several further payments to gambling firms, and again his card was blocked. On 14 May 2025 he went to a different branch of Nationwide to have the block lifted. On this occasion, however, he explained that he was concerned that his gambling was out of control and asked how Nationwide could help.

Arrangements were put in place which meant that a small daily sum would be transferred to a different account for Mr L's daily expenses, but he would not be able to use his debit card for payments or cash machine withdrawals. It was suggested that he could destroy the card or leave it with someone else, so that he could not use it. Mr L would not be able to set up online or mobile banking. And, if Mr L needed additional funds, he could attend a branch. Mr L says that arrangement worked; he was able to use his card to check his account balance, but he could not make payments or withdraw cash.

On 24 May 2025 Mr L went to a third branch of Nationwide, because he needed funds to make a non-gambling payment. In order to facilitate the payment, the block had to be removed. Mr L says that he asked that, once the transfer to another account had been made, the block be reinstated. Instead, it was removed, against his wishes.

Over the following weeks, Mr L made several withdrawals at cash machines. He says that he then used the cash he had withdrawn in gambling outlets. He did not make any direct payments to gambling firms; it appears he was prevented from doing so because he had registered with Gamstop, an industry initiative to reduce problem gambling.

Mr L complained to Nationwide. He said that it should have identified his gambling habit and should have taken steps to protect him on or before 12 May 2025. Further, having taken appropriate steps on 14 May, it should not have lifted restrictions on 24 May 2025. Nationwide did not agree, and Mr L referred the matter to this service.

One of our investigators considered what had happened but did not recommend that the complaint be upheld. They thought that Nationwide had acted fairly, since it is obliged to comply with a customer's legitimate request for funds. Mr L did not accept the investigator's assessment and asked that an ombudsman review the case.

I did that and issued a provisional decision, in which I said:

Mr L says that Nationwide should have acted to prevent gambling payments once it saw that he had made four payments of £100 to a gambling firm on 12 May 2025. It had the opportunity to discuss the position when he visited the first branch to have the block on his card lifted.

I do not agree with Mr L's argument here. I do not believe that there was sufficient evidence at that point to alert Nationwide to the possibility that Mr L needed help.

On 14 May 2025, Mr L told Nationwide clearly that he wanted it to take steps to prevent him – as far as possible – from using his account for gambling. The measures which it put in place were, he says, effective. I note that, between 14 and 24 May 2025, the only payments from Mr L's account were the agreed daily transfers to another account in his name. Whilst that arrangement was only in place for a relatively short period, it seems it did achieve the desired result.

On 24 May 2025, however, the restriction on cash machine withdrawals was lifted. Mr L says this was done despite his clear request that, once the bank transfer he had requested had been completed, the account be restricted again. Nationwide says that conversations in branch are not recorded, and so it has not been able to obtain evidence of what was discussed.

I have no doubt that there was a discussion on 24 May 2025 about whether any restrictions on the account should be lifted – and in particular, whether Mr L should be able to use his card to make cash machine withdrawals. And it is clear that the result was that he could use the card for cash machine withdrawals and retail payments; he remained unable to make card payments to gambling businesses.

Mr L's statements show that he used his card after 24 May 2025 for day-to-day spending, as well as for cash machine withdrawals. That is, in my view, consistent with an agreement that the arrangements be varied to allow use of the card for all but gambling payments. Non-gambling activity on the account indicates that the arrangement which was in place from 14 to 24 May 2025 would have been very inconvenient for Mr L.

If I were to take a different view on that point, however, I am not persuaded that retaining the earlier restrictions would have prevented any further gambling payments. I accept of course that limiting Mr L's ability to make cash machine withdrawals would have made it more difficult for him to obtain cash for gambling, but it would not have made it impossible. He was still able to withdraw cash at a branch, and to arrange transfers to another account.

I note as well that payments to Mr L's Nationwide account appear to have come from other accounts in his name. He may have been able to access cash from those sources, but I will of course consider any further evidence showing why that might not have been the case.

Finally, Mr L says that, after 24 May 2025, he used cash to fund his gambling habit, and that he was able to do so because he could obtain cash from cash machines. I have seen evidence of cash withdrawals, but Mr L has not provided anything to support his statement that there is a link between those withdrawals and gambling payments. If I were to take the view that Nationwide should have kept restrictions on cash withdrawals, I would need to be persuaded that there was such a link. I would invite Mr L to provide any such evidence in responding to this provisional decision.

Nationwide had nothing further to add, but Mr L did not accept my provisional findings. He acknowledged that he could not show that cash withdrawals had been used for gambling

transactions. He also said, however, that, when the account restrictions had been lifted, there had been a call between the branch and Nationwide's back office. There would, he said, be evidence of what was discussed in that call, even if discussions within the branch were not recorded. Any notes or recording of that call should evidence that he wanted the "no withdrawals" restriction to remain in place.

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.

I have, in particular, reviewed the evidence relating to the branch visit on 24 May 2025, including Nationwide's internal conversations. But, having done so, I have not changed my overall view from that set out in my provisional decision.

Nationwide's notes show that Mr L wanted to keep the gambling block active – and that is what happened.

They also record that the "no withdrawals" restriction was lifted and that Mr L would be able to use his card for shopping and cash machine withdrawals.

A later note from the time when the "no withdrawals" restriction was put back in place records that Mr L was told on 24 May 2025 that the "no withdrawals" restriction would be lifted.

That is in my view not conclusive, but I think it more likely than not that Mr L was told that he could make withdrawals. If that had not been the case, it seems unlikely that he would have done so, since he would not have expected withdrawal attempts to be successful. Further, if Mr L had said explicitly that he did not want that restriction to be lifted, it seems to me that he would have objected when he was told that he could make cash machine withdrawals.

In my view, the most likely scenario is that, whilst Mr L did not expressly ask for the "no withdrawals" restriction to be lifted, he did not object when it was. It gave him the convenience of being able to use his card for shopping and cash withdrawals, and neither he nor Nationwide appreciated that he might then gamble with the cash he had withdrawn.

Finally, Nationwide's notes also record that, when he was unable to use the card for cash machine withdrawals, Mr L made several branch withdrawals. That indicates that not being able to make withdrawals was an inconvenience for him, which would have been balanced against the gambling risks.

As I have indicated, I have reviewed the entire case file before reaching this final decision – even though my comments above mainly concern Mr L's response to the provisional decision. I can however assure both parties that I have considered everything afresh.

My final decision.

For these reasons, my final decision is that I do not uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 10 March 2026.

Mike Ingram
Ombudsman