

The complaint

Mr R complains that Nationwide Building Society irresponsibly gave him an overdraft he couldn't afford to repay. He also complains that despite having a gambling block in place on his current account he was able to carry out gambling transactions.

What happened

In December 2023, Mr R opened a new current account with Nationwide. As part of the application he applied for an overdraft facility and was granted an overdraft of £1,500. The overdraft limit was increased to £2,000 in February 2024.

In 2024, Mr R approached Nationwide and asked it to place a gambling block on his current account. However, he says that in early 2025 he was able to gamble using funds from the current account.

He complained to Nationwide to say that the overdraft and the later limit increase shouldn't have been given to him because they were unaffordable from the outset. He also complained that he had been able to gamble using funds from his account despite a gambling block being in place.

Nationwide didn't think it had acted unfairly. It said it had completed appropriate affordability checks when providing the overdraft facility and these didn't reveal any concerns about Mr R's ability to repay the borrowing. It said that the gambling transactions Mr R carried out were bank transfers and the gambling block couldn't block those types of transactions. It said it had made this clear to Mr R when the block was initially placed on his account.

I sent Mr R and Nationwide my provisional decision on 21 November 2025. I explained why I wasn't planning to uphold the complaint. I said:

There are two key issues here, the lending decisions regarding the overdraft facility and the concerns around the gambling block. I'll deal with each of these in turn.

Overdraft lending

Before granting borrowing to Mr R, Nationwide were required to carry out checks to ensure it was likely to be affordable. There isn't a set list of checks Nationwide had to carry out. The regulator's rules and guidance in place at the time said that whatever checks Nationwide chose to do needed to be proportionate to the circumstances of each lending decision. In deciding what would be proportionate, it needed to take into account things such as (but not limited to): the amount borrowed, the type of credit, the cost of borrowing and the consumer's circumstances.

Nationwide says that Mr R already held a joint current account with it at the time he applied for his personal current account and overdraft facility. It said it used data from how his existing joint account had been managed when assessing the affordability of the overdraft facility. As well as this it says it took into account Mr R's declared annual income of £140,000, his declared monthly expenditure and it estimated his

likely monthly living costs. It also carried out a credit check which it says showed he had a mortgage and he was paying around £1,130 per month towards other unsecured credit commitments. It said based on all of this it was satisfied the overdraft facility was affordable to him.

Nationwide says it carried out similar checks when it increased the overdraft by £500 a few months later. However, at that time Mr R's monthly mortgage commitment had reduced by around a third. It says it was therefore satisfied the limit increase was also affordable.

I've only been provided with a summary from Nationwide as to what its checks revealed. It hasn't shown us those checks. What I've seen from the summary Nationwide provided is that when it first provided Mr R with the overdraft, it calculated Mr R's monthly income to be around £7,160 and his monthly expenditure to be around exactly the same amount. In other words, Nationwide's checks showed that Mr R likely had no disposable income with which to service an overdraft.

Overall Nationwide's explanations and evidence provision of its affordability assessment has been poor. I've been able to verify very little of what it actually did to assess the affordability of both overdraft lending decisions. For example, it hasn't provided us a copy of the credit checks it completed or an adequate explanation as to why it was happy to lend despite its affordability calculations showing Mr R effectively had no disposable income to use towards further credit.

I therefore can't agree its affordability checks were either reasonable or proportionate. I think it should have done more to verify Mr R's income and establish what his actual regular committed expenditure was.

Having said this, I've not seen anything in the bank account statements Mr R holds with Nationwide (his two personal and one joint) that would lead me to conclude that more detailed checks ought to have led to a different lending decision. This is because it appears Mr R did have enough disposable income (despite whatever unclear calculations Nationwide completed indicated) to comfortably meet all of his essential expenditure.

I've seen substantial sums of money being credited into Mr R's various accounts both before and after the lending decision which he has transferred in and out from other accounts held in either his or his wife's name. The level of regular income into these accounts far exceeded what appeared to be his essential living costs and credit commitments. I therefore haven't seen anything to make me think that more detailed affordability checks would have revealed any concerns about Mr R's ability to repay an overdraft of £1,500, and later, £2,000. For that reason, I don't think Nationwide made an unfair lending decision when granting the overdraft and subsequent limit increase.

Gambling block

Mr R called Nationwide in May 2024 to ask it to place a gambling block on his account. I've listened to a recording of that call. Mr R told Nationwide that he had a compulsive gambling problem which impacted his health. He said in the previous two months he had gambled considerable amounts and wanted to place a block on his accounts. Nationwide agreed to place a block on all of his debit cards for each of his three current accounts.

In March 2025, Mr R made a series of bank transfers from his current account to

another business totalling several thousand pounds. He contacted Nationwide to complain that it had allowed these transactions to go through. He said he had made the transfers to a gambling company and there should have been a gambling block on his account. Nationwide said that the gambling block did not extend to bank transfers and could only prevent gambling transactions using his debit card.

I can understand why Mr R is upset that Nationwide didn't block the payments he made to facilitate gambling. However, what Nationwide has told him is correct. There was no way it could reasonably have prevented him from making those bank transfers. There isn't a facility available to Nationwide that would enable it to block only certain bank transfers in the same way it can block certain debit card transactions. The gambling block was in place for his debit cards only and this was made clear to him when he called to request the block in 2024.

Mr R has pointed out that banks have measures in place to detect fraud and can stop transfers in this way. While that might be true, these transactions weren't fraudulent. Mr R made them himself. I understand he feels strongly that better systems should exist in the banking system to protect vulnerable consumers in relation to gambling transactions.

However, I can only fairly hold Nationwide liable if I consider it could and should have done more. I know this will be disappointing for Mr R, but I'm satisfied that there was no reasonable way for Nationwide to have blocked those transfers. I therefore don't think it needs to do anything to put things right.

Nationwide accepted my provisional decision, but Mr R didn't. In summary, he said:

- In relation to the overdraft lending, this was a minor issue in the context of his greater concerns around Nationwide's conduct. He said this complaint issue should now be disregarded and accepted there was no unfair lending decision by Nationwide.
- The key events which haven't been commented on were the substantial gambling activity undertaken on the current account between February 2024 and April 2024. During this period of time he gambled around £175,000 using funds in his Nationwide current account. Despite this history on the account and having told Nationwide in a phone call about his gambling, Nationwide still allowed further gambling to take place in March 2025.
- It is inconceivable that no duty of care applied to Nationwide in these circumstances. If nothing could have been done then the system is failing people with gambling addictions.

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 done so, I've reached the same outcome I reached in my provisional decision and for the same reasons. However, I'll briefly address the additional points Mr R has made and explain why they haven't changed my view on what a fair outcome should be.

I want to assure Mr R that I have taken into account his account history (and customer relationship) with Nationwide when considering its actions in relation to the transactions in March 2025. The gambling transactions he referred to in 2024 form part of a separate complaint he has raised and does not therefore form part of this decision, so it wouldn't be

appropriate for me to comment on them here. However, I have nevertheless taken what happened into account as relevant overall context.

Nationwide had placed a gambling block on Mr R's current accounts so it had taken proactive steps to help Mr R. However, these types of gambling blocks are not perfect and can only block specific debit card purchases. This was the extent to which Nationwide could conceivably prevent further gambling transactions from taking place while keeping the current accounts open. It was made clear to Mr R when the block was placed on his accounts that it would only block debit card transactions.

The transactions that took place in March 2025 were bank transfers initiated by Mr R, not debit card payments. As I've set out in my provisional decision, there was no reasonable way for Nationwide to have either identified these transactions as potentially for gambling purposes or for it to have stopped them from taking place for that reason.

Mr R clearly feels strongly that better systems ought to be in place to identify and block gambling transactions for these types of bank transfers. This service is not the regulator of the financial services industry, and it isn't our place to set rules and/or best practices. My role is to decide whether Nationwide acted fairly in the individual circumstances of this specific complaint, taking into account things such as any relevant rules, guidance or law. It wouldn't be fair nor reasonable for me to make a finding against Nationwide when there is currently no mechanism in place for it to reliably be able to block bank transfers in these types of circumstances and nor did it set any expectation with Mr R that it would. I realise this will be disappointing for Mr R, but I don't think Nationwide needs to do anything to put things right.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 January 2026.

Tero Hiltunen
Ombudsman