

The complaint

Mr F complains that Starling Bank Limited failed to offer him support or to act to prevent his financial difficulties due to heavy gambling losses in 2019.

What happened

In July and August 2019 through his account with Starling, Mr F spent thousands of pounds on a very high volume of gambling transactions. The account was closed in December 2020 though he says that because of his gambling he suffered severe financial hardship as he took out loans which affected his credit record. He has also suffered mental and physical health problems.

Starling said there were no indications that would have alerted it to consider Mr F's bank account at the time the majority of the gambling transactions took place. It advised that it should have offered support in October 2019, following an online chat with Mr F about some gambling transactions. It made payment of £150 compensation but didn't consider that it was responsible for the gambling losses. And it said there was no guarantee any further signposting by its team would have dissuaded Mr F from continuing to gamble.

Mr F didn't agree and brought his complaint to the Financial Ombudsman Service.

Our Investigator reviewed the matter but ultimately said they couldn't fairly instruct Starling to refund any of the money Mr F spent on gambling or make any further award of compensation. The £150 Starling had already paid was in their view a fair way to address the complaint.

Mr F said this didn't take into account the impact on him of the failure to offer support at the time. In particular he has advised us of serious mental health and physical health issues which came out of his gambling.

The matter has been passed to me for an Ombudsman's consideration.

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 presence of gambling doesn't automatically mean that someone is vulnerable or compulsively spending. It could be an indication of vulnerability, but it wouldn't be suitable or reasonable to assume that a customer needs additional support just because gambling transactions are being made.

Banks do need to have systems in place to identify whether their customers are having problems managing their spending. It is however important to note that bank accounts are not manually reviewed. So, in order for Starling to know that Mr F might be having a problem it would need to be alerted to identify unusual spending on the account. In the absence of Mr F telling Starling this could be:

- The transactions themselves being identified as possibly fraudulent.
- Having financial problems e.g. if the account is frequently overdrawn or over the limit. Or he had applied for loans or credit from Starling.
- Unusual and/ or out of character account activity.

Mr F did contact Starling in October to December 2019 and in January 2020. His issues were that firstly he had transferred substantial sums to gambling sites in the expectation that he would receive bonuses or VIP or enhanced accounts. Secondly, he alleged that a number of the payments he had made to the sites were scams or fraudulent.

Ultimately Starling was satisfied that the payments weren't suitable for chargebacks and there was no evidence to support Mr F's claims.

However it came to light in the course of those chats that Mr F was excluded from certain gambling sites. I would agree that that was an indicator of gambling problems and that Mr F should have been offered some support at the time. Though I would observe that this was several months after the main gambling transactions occurred.

I think in this case there was also an indication that Mr F was having financial problems. In February 2020, Mr F's account became overdrawn by up to £500. And he started gambling again which continued up to the end of March 2020. Starling had made a decision to close Mr F's account and he made payments through 2020 to clear the overdraft. The account was closed in December 2020.

As regards unusual or out of character activity, in Mr F's case the vast majority of his gambling took place in the months of July and August 2019. And although he made substantial losses, he also recouped a substantial amount in winnings. This is relevant in that the account didn't go overdrawn in that time and reflected the usual activity on the account of substantial payments going in and out of the account.

I would also observe that this was not Mr F's main current account, and he funded it from transfers from other accounts.

So as I've said, I think that in October 2019 and again in January/ February 2020 there were indicators that could have alerted Starling to review Mr F's account. Indeed in the latter case it made a decision to close it. If gambling activity is noted on the account, then, even in 2019 Starling would have been required to consider offering support like gambling blocks (which I understand were available at the time) and signposting to other organisations or charities which could have offered further help. As it didn't do so, for that reason Starling paid the £150 compensation.

I have considered carefully Mr F's point that his gambling in 2019 and Starling's failure to intervene caused him financial problems and to suffer mental and physical health problems. I've seen the medical evidence he has produced to us.

The problem in this case is that, although I do very much understand that mental health issues can stop a person from pursuing their complaint, in Mr F's case he didn't raise his complaint until some six years after the main gambling transactions had taken place. So although I don't doubt what Mr F says about his problems, I find that I'm not persuaded that the failure to offer support in 2019 was most likely the direct cause of those problems.

In particular I've considered the lengthy chats in late 2019 when Mr F didn't advise Starling of any gambling problems. His concern was very much about the gambling sites not paying

bonuses or upgrading his account and his further allegation that some of the payments were fraudulent.

I've noted that since 2019 Starling has brought in more rigorous systems to support vulnerable customers. I've outlined the support it could have offered in 2019. This would depend very much on the customer accepting it and taking proactive steps themselves like setting up a gambling block. And I'm aware Mr F had been excluded from certain gambling sites but still continued to try and gamble with them.

I sympathise with Mr F and understand that it has been very difficult for him. But I am afraid that bearing in mind the factors I've set out above, particularly the long delay in raising his complaint, I don't think it's likely that any failure by Starling to offer support in 2019 has been the cause of Mr F's problems since then.

For those reasons I won't be requiring Starling to increase the compensation or to refund any gambling losses.

My final decision

For the reasons set out above I think that Starling Bank Limited has paid reasonable compensation in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 26 March 2026.

Ray Lawley
Ombudsman