

## **The complaint**

Ms E complains that Lloyds Bank PLC failed to protect her from gambling harm despite clear indications of gambling addiction on her account. Ms E also complains that Lloyds failed to act on her requests to block specific gambling-related transactions and merchants.

## **What happened**

The background to this complaint is well known to both parties, so I will cover it only briefly here.

Ms E had a gambling addiction and was using her Lloyds account to make gambling transactions in late 2025. Ms E said she'd contacted Lloyds about her gambling addiction a year or two before, so Lloyds had prior knowledge of her vulnerabilities and need for protection.

Between 9 October and 27 November 2025 Ms E made numerous payments to a gambling related entity I'll refer to as 'K'. On 16 October 2025 Ms E contacted Lloyds via online chat and requested it refund payments made to K. Ms E told Lloyds she wanted her losses refunded.

Lloyds provided a number for its financial assistance team and offered the option to block gambling transactions. Though Lloyds explained the block would only work with entities who identify as gambling merchants. Lloyds also explained how Ms E could apply gambling limits to her account to control how much she spends. Finally, Lloyds signposted Ms E to a range of external gambling support organisations.

Ms E continued to request a refund for her payments to K and Lloyds explained it couldn't do this; Lloyds said the transactions to K were done via faster payments with open banking which couldn't be stopped by a gambling block.

Ms E complained to Lloyds about its failure to protect her, the time it took to send a final response, and Lloyds declining to refund the payments to K.

In its final response Lloyds said the merchant code for the transactions to K didn't match gambling merchant codes so a block wouldn't stop those payments. Lloyds said it was sorry it had taken longer than expected to issue an outcome, but it concluded it hadn't made any errors and so it wouldn't refund the payments to K.

Ms E didn't accept Lloyd's outcome and brought her complaint to this service. Our investigator looked into Ms E's complaint but didn't recommend that Lloyds repay her gambling losses. The investigator said the payments to K weren't able to be stopped by a gambling block due to the payment method used. And he couldn't say Lloyds had made a mistake or acted unreasonably.

As Ms E rejected our investigator's findings, her complaint has been passed to an ombudsman to make a final decision.

## **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 would firstly like to express my sympathy for Ms E. I was sorry to learn about Ms E's gambling addiction and the impacts it has had.

I'm grateful for all the information Ms E has provided, but I'm not going to directly comment on everything Ms E has said. Even though I've read and reviewed the full details I'm going to stick to the factors that I think are key in relation to this complaint.

In deciding what's fair and reasonable, I will take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I will take into account what I consider to have been good industry practice at the time.

To begin, I think it's worth bearing in mind that most banks don't manually monitor accounts or have a mechanism to spot gambling activity beyond identifying debit card payments made to gambling merchants through standardised codes. In most cases a bank is only likely to become aware of a customer having a problem if it is alerted for another reason. Typically, this is because the bank's customer tells them they have a problem such as gambling addiction or compulsive spending, or the pattern of spending has triggered fraud detection algorithms, or there are signs of financial difficulty on the account that cause the bank to investigate further.

The primary issue for me to decide here is whether there is evidence to support or suggest, on balance, that Lloyds should have done more to protect Ms E considering the circumstances at the time.

Firstly, it's important to note there isn't any dispute the payments in question were authorised by Ms E. The starting position in law is a bank is expected to process payments and withdrawals a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

In this case I've not seen evidence to show there were signs of financial difficulty on Ms E's account nor do I think it's reasonable to consider Ms E's spending should have triggered fraud detection algorithms. And though I can see Ms E informed Lloyds of her gambling historically and shortly before she raised her complaint, I don't think Lloyds could have done something more that would have made a meaningful difference to Ms E's gambling in the circumstances of this complaint. I'll explain why.

Ms E said she informed Lloyds via live chat that she was using K to fund gambling activity, and she specifically asked for payments to K to be blocked.

I've carefully considered the live chat evidence alongside the timeline of events. Having done so I can see Ms E applied a gambling block to her account on 2 August 2025. Ms E removed the gambling block on 3 August 2025 and started to gamble via K. And then Ms E reapplied the gambling block on 3 November 2025 but continued to gamble via K. The payments to K were still able to go through because they were faster payments which couldn't be stopped by the gambling block. I'm satisfied the events described here show Ms E was aware of the gambling block and was able to manually add it. And Ms E was also likely aware she could still gamble via K with the block in place. I think it's reasonable to say this shows Ms E was making payments via K to actively circumvent the gambling block.

It was on 9 October 2025 when Ms E made her first gambling related payment to K. Ms E

then gambled via K up to 27 November 2025. During this period, I can see Ms E requested Lloyds refund payments to K on 16 October 2025. And on 21 October 2025 Ms E raised her complaint to Lloyds.

I can see Lloyds offered Ms E appropriate support and made her aware of gambling block options, options to freeze her card, as well as organisations that could help with her gambling addiction. Lloyds also made Ms E aware of the limitations of the gambling block and that it couldn't stop certain transactions such as faster payments or payments to entities who didn't use gambling related merchant codes. This is what I'd expect Lloyds to have done to help and to appropriately inform Ms E.

Ms E says Lloyds should have placed a specific merchant block on K. Lloyds have explained this isn't something it can do and it isn't able to apply a specific merchant block to an entity such as K. Lloyds further explained it is unable to block the type of payments made to K. This is because, as referenced earlier, the payments to K were done by faster payment through open banking and Lloyds are unable to block this type of payment.

This is because faster payments are not the same as card payments, they don't have merchant codes associated with them. And they're made through open banking which means Lloyds can't identify or intervene with these payments as they are pulled straight through to the recipient merchant's account rather than pushed from the Lloyds account.

Overall, I'm persuaded Lloyds couldn't apply a specific block to K and Lloyds wouldn't be able to block the method of payment that was used in the transactions to K. So, though I appreciate Ms E wanted Lloyds to do this to help her, I'm not persuaded it's something Lloyds was able to do.

In conclusion, banks are required to support customers but won't be liable for their spending patterns and can't stop customers making authorised payments for legitimate activities such as gambling. As a consequence, there remains a high level of personal responsibility on the customer to address their harmful gambling.

I'll address some further complaint points next.

Ms E said Lloyds had applied restrictions to her account in December 2025 which meant she could no longer make certain gambling payments. Ms E questioned why Lloyds hadn't done this sooner and specifically in relation to K.

I've considered this and I've not seen any evidence to show Lloyds applied some other type of restriction or specific block on Ms E's account in relation to K. And Lloyds has said it didn't apply any blocks to Ms E's account in December 2025.

So, it's not clear to me what blocks Ms E is referring to and ultimately, I remain persuaded that Lloyds couldn't have blocked or stopped the payments to K and so it shouldn't be responsible for refunding them.

Ms E says Lloyds didn't act when she asked it for help. However, I can see in the live chat transcripts Lloyds did provide support and signposted Ms E to several organisations which could provide further support. And Lloyds explained what the gambling blocks could and couldn't do. I can also see Lloyds provided phone numbers for Ms E to call to speak directly with specific teams who might be able to provide additional support.

Ms E said Lloyds should have provided more protection given it was aware she was vulnerable and had a history of gambling. I can see Ms E had previously requested a refund for gambling transactions around January 2024. And I can see Lloyds had offered similar

levels of support and guidance around gambling blocks and it advised Ms E what those blocks can do. I think it's fair to say this matter happened almost two years before the gambling with K that this complaint relates to. And as detailed above, I'm not persuaded I can conclude that Lloyds could reasonably have blocked the payments to K - irrespective of whether Ms E had requested gambling related payment refunds and support almost two years ago.

That being said, supporting customers may require banks to be proactive where vulnerabilities are evident. I've considered whether Lloyds should have done more for Ms E, and as detailed above, I'm satisfied Ms E's account wasn't demonstrating a level of stress or financial difficulty in late 2025 to a degree that would reasonably have given Lloyds cause to intervene sooner. And as detailed previously, I think once Ms E made Lloyds aware she had gambled with K and her gambling addiction had gotten out of control again, Lloyds offered appropriate guidance around its gambling blocks and a range of support options.

In conclusion, though Ms E had made Lloyds aware of a gambling problem in early 2024, I don't think it's reasonable to consider that Lloyds should be held responsible for refunding further gambling made in late 2025. Particularly when that gambling was made via faster payment methods which aren't caught by the gambling block and that Lloyds couldn't reasonably have stopped. We expect banks to help customers who reach out with problems such as gambling addiction. And in response to Ms E's gambling complaint, I'm satisfied Lloyds offered her appropriate support.

Ms E also complained about the time it took Lloyds to issue its final response. I can see the final response was issued around 36 days after Ms E complained. Typically, businesses have eight weeks, around 56 days, to issue a final response - except for in certain specific circumstances depending on the type of complaint that is raised.

I'm not aware that any of the relevant circumstances are present in this case that meant Lloyds had less than the usual timeframe to respond. That being said I can see Lloyds said it would aim to get a final response to Ms E quicker than that, and it apologised for not doing so. I think this apology is sufficient to address Lloyds having informed Ms E it would provide her with an outcome sooner than it did. Ultimately Lloyds had eight weeks to respond, and it provided its response within this time.

Our service investigates the merits of complaints on an individual basis, and that is what I've done here. I think it's important to explain that my decision is final. I realise Ms E will be very disappointed by this decision though I hope she appreciates the reasons why I consider this to be a fair and reasonable outcome.

### **My final decision**

It is my final decision to not uphold this complaint.

I make no further award against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 22 May 2026.

Gordon Candlish  
**Ombudsman**