

The complaint

Mr H complains that Lloyds Bank PLC (“Lloyds”) hasn’t protected him from losing money to fraudulent gambling websites. He says Lloyds has acted irresponsibly in allowing him to use his bank account to gamble in a compulsive and problematic way.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Mr H has said he is unhappy Lloyds failed to prevent him losing around £12,000 in December 2023 when he made numerous transactions from his Lloyds account to gambling websites. He has said, also, that he has used his Lloyds account to gamble for years, and he thinks Lloyds should have protected and prevented him from doing so.

Lloyds and Mr H couldn’t reach agreement about things, so Mr H referred his complaint about Lloyds to us. An Investigator here looked into things but was unable to resolve matters informally. The case has therefore been passed to me for a decision.

I sent Mr H and Lloyds my provisional decision on 5 December 2025 explaining why I wasn’t minded to uphold this complaint. Now that both parties have had fair opportunity to respond, I’m ready to finalise my 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.

Having done so, and having received no further submissions from either party in response to my provisional decision, I’ve decided to not uphold this complaint for the same reasons as I explained in my provisional decision. I’ve explained my reasons again below.

I’m very aware that I’ve summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I’ve focused on what I think is the heart of the matter. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it – I haven’t. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

I’d like to start by acknowledging all Mr H has told us about his personal circumstances. It seems that he has been through some difficult times and has continued to face challenges. That being said, my role requires that I remain impartial. So despite my natural sympathy for Mr H’s circumstances and situation, I can only uphold this complaint if I think I can fairly hold Lloyds responsible for what’s happened.

Should Lloyds have intervened in Mr H's account usage before December 2023 on the basis that he was gambling in a compulsive and problematic way?

Mr H has referenced a card gambling freeze he had in place. Lloyds' records show that in September 2023 and then again on 15 December 2023 Mr H blocked his card from being able to make gambling transactions. But that's not the exact same thing as Lloyds being aware Mr H had a further need for protection from this. Aside from this, Lloyds has said it hasn't found any information on its systems showing it was made aware of Mr H's gambling struggles prior to it recording this on 5 January 2024 when Mr H called and spoke to Lloyds about his gambling transactions made in December 2023; and I haven't seen evidence that leads me to doubt this.

However, Lloyds would, of course, have been aware of Mr H's prior account usage. In this regard, Lloyds has been able to provide copies of Mr H's bank statements going back to September 2018. I've reviewed these bank statements to see whether Lloyds unreasonably missed any indicators that Mr H was vulnerable to spending his money in a way that caused him harm. However, there's no legal obligation on banks to monitor account activity unless there is a substantial change in how the account has been used or other concerns around potential fraud, scams or illegal activity. And it's important to clarify that banks don't manually review accounts unless there's reason to. At most the sorts of checks that are run through accounts are done by algorithms that are designed to identify a specific issue or risk. So, an algorithm designed to identify fraud, for example, won't necessarily identify what a consumer is spending money on, i.e. gambling, but merely whether or not there are any indications that the transactions are linked to fraud or a scam.

And whilst I can see Mr H has used his Lloyds account to gamble historically, I can't see that the account, prior to December 2023, showed activity that would have been sufficiently concerning in order for me to expect Lloyds to have intervened. Gambling isn't illegal. And whilst I note a pattern of payments for gambling in August 2023, these stopped at a point where Mr H held a substantial balance of around £6,000, so I don't think they would sufficiently indicate a problem or vulnerability. Mr H's bank statements show more gambling in the first half of November 2023, but again, I don't think this would have looked like it was out of control: by the end of that month, Mr H's account balance was actually higher than at the start. I've summarised things here. But taking this into account, and everything else I've seen, I'm not persuaded I can fairly say that Lloyds reasonably ought to have intervened in Mr H's account usage before December 2023 on the basis that he was gambling in a compulsive and problematic way.

Should Lloyds, nonetheless, have intervened in and prevented Mr H's payments to gambling sites in December 2023?

By my calculations, Mr H's transactions to these gambling sites in December 2023 number 49. They were made between 5 and 22 December 2023. And they collectively total £16,900, with the smallest of the transactions being £100 and the largest being £1,000. I understand these transactions were made to two gambling websites and Mr H received some credits back from them hence why he has calculated his net loss as around £12,000.

I do think these payments in December 2023 ought to have looked unusual in terms of the collective total amount being spent and in such a short period. Mr H's account balance was still being healthily maintained though, with it standing at over £4,700 even after the final payment, in circumstances whereby Mr H had just, as I understand things, paid £5,000 for his bathroom on 21 December 2023. I mention this because Lloyds did call Mr H about this particular transaction of £5,000 before it let it through. I've listened to a recording of the call that then occurred between Mr H and Lloyds. And on this call, Lloyds said it was just going through some checks because lots of people were getting scammed at the moment. Mr H

said he wasn't getting scammed because he was paying for his bathroom that had just been renovated. He said he appreciated the protection, but that he needed to make the payment now, it was his money, and he'd checked everything.

So, I've thought really carefully about whether I think Lloyds should have called Mr H at a further point in December 2023 – in particular about one or more of his payments to the gambling sites. But Lloyds' algorithms wouldn't have known they were gambling transactions. Also, Mr H's card block on transactions coded as gambling by the merchant, wouldn't have picked up these bank transfers. So I wouldn't expect the payments to have been prevented by Lloyds' systems as a result of Mr H's card block on gambling transactions. And ultimately, I think that whilst it's possible that if Lloyds had called Mr H about these transactions, this might have made Mr H think twice and not make them, I actually think it's more likely that Mr H would have simply explained it was him making the payments, there was nothing to be concerned about, and that he would have proceeded with them in any event. Judging by the call Lloyds had with Mr H on 21 December 2023 (about his payment for his bathroom), it seems that if Lloyds had spoken to him during this period about these other transactions, most likely Mr H would have presented as stable and sure of himself on the phone (just as he did in the call recording I've heard) and not have displayed signs of vulnerability to financial harm from gambling.

This means I think that even if Lloyds had intervened in these payments in December 2023, it's most likely this wouldn't have prevented Mr H making them. This means I'm not persuaded I could fairly hold Lloyds responsible for Mr H having made the payments and lost money to gambling.

Should Lloyds have recovered or reimbursed Mr H the payments in any event?

I've thought carefully about everything Mr H has said, including that these gambling websites weren't licensed to operate in the UK. However, this wouldn't be the same thing as the gambling websites being scams. I've seen no persuasive evidence that these two sites didn't provide Mr H with the gambling services that he paid for, or that they were operating scams. Indeed, Mr H received credits (and not insubstantial ones) back from them. So I can't see any way in which I could reasonably expect Lloyds to have been able to recover Mr H's funds for him, or otherwise reimburse him. Mr H will be aware also that as these payments were made by bank transfers, chargebacks wouldn't have been feasible.

I appreciate Mr H has referred to ongoing events since December 2023. For example, he's questioned why Lloyds couldn't have blocked his account in December 2023 like he says they did in or around July 2024. However, for reasons explained above I don't think there would have been a reason to block his account in December 2023. I can also see when he spoke to Lloyds in January 2024 about what happened in December 2023, that Lloyds noted down his vulnerability, referred Mr H to GamStop, which Mr H said he was already aware of.

Overall, whilst I sympathise with Mr H, bearing in mind what I've said, I'm not persuaded I can fairly hold Lloyds responsible for the losses and complaint Mr H brings.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 February 2026.

Neil Bridge
Ombudsman