

The complaint

Ms F complains that Nationwide Building Society ('Nationwide') failed to prevent gambling transactions on her account despite the gambling block in place.

What happened

The details of this complaint are well known to both parties, so I will just provide a brief overview of key events here.

Ms F applied a gambling block to her Nationwide account as a self-protection measure because she was struggling with gambling.

Between August and November 2025, Ms F made a number of payments to an online gambling company, which I will refer to as 'Company A', based in Hong Kong.

Ms F contacted Nationwide to complain that the gambling block on her account hadn't worked, because it hadn't prevented Company A's gambling transactions.

A complaint handler at Nationwide informed Ms F that her complaint would be upheld. However, Nationwide then rejected Miss A's complaint.

Nationwide stated that their gambling block works by detecting gambling merchant codes and preventing the transactions. It said Company A did not use a gambling merchant code and therefore was not picked up by its block.

Nationwide offered Ms F £25 compensation for the incorrect information provided to Ms F by their complaint handler.

Unhappy with this response, Ms F brought her complaint to our Service. She said that the gambling block did not protect her in the way she had expected, and that the incorrect information from the complaint handler caused her distress, confusion and loss of trust. She has asked our Service to consider whether additional compensation should be paid by Nationwide.

Our Investigator looked into Ms F's concerns but did not uphold the complaint.

As Ms F disagreed with our Investigator, this came to me for a 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.

My role is to look at the block Ms F placed on her account and decide whether it should have blocked the transactions in question. I will also examine what Nationwide told Ms F about the block.

Having considered all the evidence, I've decided not to uphold Ms F's complaint. I'll explain why.

I sympathise with Ms F and the gambling struggles she has. In situations such as Ms F's, it's not for me to tell Nationwide what tools it should have in place to support consumers with a gambling addiction. But what I would expect is for Nationwide to utilise any tools it does have in place and make the consumer aware of what it can, and can't, do to assist.

The gambling block

Looking first at the gambling block Nationwide provides, I can see that Nationwide's website provides a 'gambling support' page. This lets consumers know what transactions can and cannot be blocked once a gambling block is applied.

I can also see that if a consumer goes online or uses the Nationwide app to apply a gambling block then they can click on a link to the 'gambling support' page so that they can be provided with specific information about the block. And this is what I would expect Nationwide to do – to make relevant information about the gambling block accessible to consumers at the point in time that they are applying the block.

The 'gambling support' page states that in order for a block to work, any provider of gambling services has to be identifiable as such. It says that gambling blocks work by identifying the merchant category code ("MCC") that has been applied to the merchant/retailer. It makes it clear that if a transaction is not identified as gambling, then Nationwide will not be able to block it. The page also points out that gambling companies may use the wrong MCC, in which case Nationwide would not be able to block the transaction because there's no way for it to know it's gambling.

To clarify this further, there is a specific MCC that UK gambling merchants are required to use when processing payments. Under UK law, gambling companies are required to use the correct MCC, so that any payments made to them are identified as being for gambling purposes. This ensures that gambling blocks work and to ensure credit cards are not used to make payments to gambling companies. But this law does not apply to overseas companies and Company A are based in Hong Kong. Company A has not used a gambling MCC and as such, any payments made to it are not caught by Nationwide's gambling block.

This limitation impacts all gambling blocks, across all the financial institutions that offer them, and isn't unique to Nationwide. The merchants who use non-gambling MCCs tend to do so in order to circumvent MCC based gambling blocks. In this case, Nationwide has provided evidence to show that Company A classified itself as a provider of digital goods and games. In other words, Company A used a non-gambling related MCC, meaning the transaction would not have flagged as gambling.

In light of this, whilst I understand the frustration it must have caused Ms F when these transactions went through, I don't agree that Nationwide made any errors by not blocking these transactions. So I won't be asking it to refund the money spent by Ms F.

I know that Ms F was concerned that she was not told that the block would not work for overseas merchants. Nationwide make it clear on its 'gambling support' page that international payments marked as gambling are, in fact, usually blocked. So I think the issue is not that overseas merchants couldn't be blocked – Nationwide has said they could. The issue is the failure of Company A to use the MCC which would have reflected that the services it provided related to gambling.

The account activity

I've also considered whether the activity on Ms F's account ought to have alerted Nationwide to the fact Ms F needed support and whether it ought to have intervened.

I should explain here that our Service does not expect banks to routinely monitor accounts to check for gambling or financial management concerns. However, where a bank has cause to review an account for another reason, we might expect it to notice if a consumer was struggling to control their spending.

I've looked carefully at Ms F's statements around the time the relevant gambling transactions were made. I can see that Ms F stayed within her available balance when spending money with Company A, and that the transactions were relatively low value – ranging from £1 to £30. There was one bounced direct debit in October 2025, after a payment to Company A brought the account balance to zero. But there were regular payments coming into the account and Ms F was never overdrawn. So, based on the evidence I've seen, I cannot see a reason why Nationwide would have cause to look more closely at the activity on Ms F's account.

In any event, it's important that I point out that even if I thought the activity on Ms F's account should have given Nationwide cause to look more closely at how Ms F was managing her account, the fact is that there was already a gambling block in place on this account. Which means that nothing could have prevented these particular transactions from going through anyway, given the MCC used by Company A.

Incorrect complaint outcome information given

When Nationwide responded to Ms F's complaint, it initially told her that it was upholding the complaint. But ultimately, it did not uphold it and offered Ms F £25 compensation by way of an apology for the misinformation provided. Ms F has asked our Service to consider whether £25 is sufficient compensation for this aspect of her complaint. As explained by our Investigator, complaint handling is not a regulated activity and so I am unable to look into this part of Ms F's complaint.

Whilst I have sympathy for Ms F's situation, and I understand that my decision will come as a disappointment, the evidence provided by Nationwide shows that Ms F's transactions to Company A would not have been detected by its gambling block. It also shows me that the limitations of the gambling block offered were made clear to Ms F. So I'm satisfied Nationwide acted fairly when it did not uphold Ms F's complaint.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 15 April 2026.

Martina Ryan
Ombudsman