

The complaint

Mrs L complains that Nationwide Building Society should have intervened to prevent her from being able to make faster payments to a gambling company.

What happened

Mrs L complains about a series of faster payments she made from late 2023 to early 2024 to gambling operators which are not licensed to operate in the UK.

Mrs L is concerned that Nationwide processed the payments without intervening. She explains Nationwide was aware that she was a vulnerable customer suffering with a gambling addiction and that it missed opportunities to prevent her from experiencing further financial harm when her spending pattern became characteristic of high-risk behaviour. Mrs L has told us she is struggling with her mental health and is facing a lot of debt. She says Nationwide told her it would monitor her account to prevent larger transactions from being made and feels the building society has let her down.

Nationwide looked into Mrs L's concerns but didn't uphold her complaint. In its final response letter, it explained the gambling block applied to Mrs L's account doesn't stop transactions made by faster payment. It said it had discussed having a branch-based account or applying a block to all online transactions, but Mrs L didn't wish to explore those options any further at that time. Nationwide said it didn't have any concerns regarding Mrs L's transactions and did not notice any out of character spending.

Unhappy with Nationwide's response, Mrs L referred the complaint to us. She explained she'd previously made Nationwide aware that she was spending a lot on gambling and asked it to put an alert on her account, but nothing happened. Mrs L explained she was devastated to have spent this money and wants Nationwide to refund it because it didn't step in to prevent the concerning spending at the time it was happening.

One of our Investigators considered the complaint. They agreed that the gambling block that was in place on Mrs L's account wouldn't have been able to stop faster payments. They explained they had listened to call recordings Nationwide had provided but did not hear Nationwide agree to contact Mrs L if any large payments were being made from her account.

But the Investigator thought Nationwide should have provided Mrs L with more support, highlighting in particular a phone call that happened on 30 January 2024. They felt Mrs L would have found this call challenging and distressing as Nationwide's advisor suggested the building society would have been able to help her if it had known about her circumstances, which was frustrating as Mrs L had told Nationwide she was struggling with gambling back in July 2023 and had phoned Nationwide many times asking it to consider reimbursing the transactions that she'd made. The Investigator concluded that Nationwide should pay £200 compensation to recognise the distress and inconvenience this specific call caused Mrs L.

Nationwide didn't agree that its advisor had provided a poor level of service. It said the advisor listened and took on board what Mrs L said, added it as a complaint point and took it away to look into, following up with Mrs L later that same day. Nationwide highlighted that Mrs L had found a way to bypass the gambling block placed on her account and said that it had offered everything it possibly could, including signposting Mrs L to GamCare and the option to fully block her ability to transact online. Nationwide said that it didn't believe it could have done any more than it did to try and support Mrs L and didn't agree that any compensation would be warranted.

As no agreement could be reached, the complaint was progressed for an Ombudsman to decide.

My further investigation

When the complaint was referred to me, I had further questions for Nationwide.

I asked Nationwide about the role of its specialist support team and how it was working with Mrs L. I wanted to know what support it was able to give to a customer that was known to be vulnerable and had disclosed additional support needs, especially around compulsive spending and gambling. I asked Nationwide how it monitored accounts for customers that were known to its specialist support team. I asked Nationwide whether it had intervened at any point when Mrs L was making transactions.

Nationwide said its specialist support team doesn't proactively monitor consumer accounts. It said that the transactions Mrs L was making did not cause concern because Mrs L was sending money to a regularly used payee and she had logged into her account securely in order to make the transactions. Nationwide provided technical evidence from its systems to show that it provided on screen information outlining the potential fraud risks of an existing payee at the time Mrs L made some of the payments.

My provisional decision

On 20 February 2026, I issued my provisional decision explaining why I was not minded to uphold the complaint. I have included my provisional findings below:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have summarised the position to date in my own words and in much less detail than has been provided. No discourtesy is intended by this as it enables me to focus on the key issues of this complaint and its surrounding investigation.

To decide a fair and reasonable resolution to a complaint I am required to take into account any relevant law and regulations; regulators' rules, guidance and standards; codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

It may also help to explain I do not have the authority to interfere with a firm's processes, systems or controls or to fine or punish a firm – those are considerations for the financial regulator, the Financial Conduct Authority (FCA).

Having reviewed this case, I am minded to reach a different outcome to the Investigator as I do not think Mrs L's complaint should be upheld. I'll explain why.

Mrs L is concerned that Nationwide missed opportunities to step in and provide her with support. She'd made Nationwide aware of her personal circumstances and was expecting it to intervene if she were to make large transactions. It's clear that Nationwide was aware of Mrs L's gambling addiction. It knew she was struggling and it knew that she may be vulnerable to harm if it did not act with an appropriate level of care. I'd expect Nationwide to use these insights to take action to prevent foreseeable harm. But it is at a firm's discretion as to what the systems, processes and controls it puts in place to try and prevent harm should be.

There are no industry-agreed definitions for problematic or harmful gambling and no specific rules in place which say what banks and building societies must do, either when they realise a consumer might have a gambling addiction or when the consumer tells them this specifically. Most firms don't manually monitor accounts or have specific mechanisms to look for gambling activity beyond identifying debit card payments made to gambling merchants using standardised Merchant Category Codes (MCCs). There was a block applied on Mrs L's card so that any card payments processed with a gambling specific MCC would not go through. But Mrs L had found a way to circumvent the block by sending money to gambling operators as a faster payment, which would not have obviously appeared to be gambling.

As I've said, I am unable to interfere with a firm's processes, systems or controls and I cannot set the rules as to what should or should not be picked up as an unusual transaction or out of character account behaviour. I'm also mindful that banks and building societies can't stop customers from making authorised payments. So, banks and building societies don't generally monitor customer accounts specifically for gambling activity as gambling is a legitimate activity.

There is a mismatch between Mrs L's expectations and what Nationwide has chosen to offer. The transaction monitoring is not as extensive or personalised as Mrs L was anticipating. I've listened carefully to the call recordings Nationwide has provided, which cover a period from July 2023 when Mrs L first told Nationwide about her struggle with gambling to April 2024 when she made a formal complaint about the transactions. I've not heard anything which leads me to conclude that Nationwide specifically misled Mrs L about the level of transaction monitoring that was available.

I realise this will be frustrating for Mrs L given there is no doubt she was struggling with gambling and at times the amounts leaving her account within a short space of time added up to be a significant sum. But there are no legal or regulatory obligations placed upon Nationwide for individual staff to monitor consumer's statements on a 'transaction-by-transaction' basis or to monitor consumer's accounts specifically for gambling transactions.

When Mrs L was making the payments to gambling operators, Nationwide's automated system did not find anything to prompt closer inspection of her account. Nationwide has explained that the payees were regularly used and that Mrs L had logged into her account securely, using her registered device to make the payments. Against that backdrop, there's nothing to suggest that Nationwide did anything wrong when it processed the payments Mrs L was instructing it to make.

I realise Mrs L will consider what Nationwide offers does not go far enough to recognise potentially high levels of gambling happening on a customer's account. But there is a limit to the support a financial business can offer. From what Mrs L has told us about her wider personal circumstances and her mental health at the time, I don't think Nationwide was ever going to be able to offer the level of support that she needed to try and overcome the compulsion to spend in this way. Mrs L needed professional support.

Although I don't think Nationwide could be expected to give the level of support Mrs L needed to stop compulsively spending, I've thought about what it did offer, and I consider that it did act on what Mrs L had disclosed about her struggle with gambling. Nationwide signposted Mrs L to organisations that could offer support to help Mrs L change her behaviour and it applied a card block. It also offered Mrs L a branch only account or to take away her ability to make any online payments, although I do recognise that these options to try and help Mrs L reduce her gambling would have made her day-to-day banking more difficult. From what I have seen, I consider Nationwide utilised the tools that it does have in place to support its customers that are struggling with compulsive spending, and it made Mrs L aware of what it is able to do. It is not reasonable to expect Nationwide to monitor every individual transaction being made, even when it has been made aware of a gambling problem.

Our Investigator recommended that Nationwide should pay compensation to Mrs L for the distress and inconvenience she was caused in a specific phone call that was made on 30 January 2024. Nationwide has provided recordings of over forty phone calls it had with Mrs L, and I am mindful that for the most part, from what I have heard, these calls were handled appropriately. They were not easy interactions for either side. From what I have heard, Mrs L feels strongly that Nationwide should refund her because it knew she was a vulnerable customer that was struggling with a gambling addiction. Nationwide has considered the difficult situation Mrs L is facing but concluded not to do anything further in this particular case. I have to be fair and reasonable to both sides in a complaint. I cannot fairly compel Nationwide to do more and refund the money Mrs L has lost when the relevant law, rules, codes and good practice do not say that it should.

I have listened carefully to the specific interaction our Investigator felt Nationwide should pay Mrs L £200 compensation for. Having done so, I can see both sides. Mrs L came into the call audibly very low and was at times upset. The advisor came into the conversation expecting to discuss a different complaint. Listening to the call with the benefit of hindsight, there are moments where the advisor could have handled things differently. The advisor does say that Nationwide cannot help when it is not aware of a situation, which would have been frustrating for Mrs L to hear given the amount of times Mrs L has contacted Nationwide and openly shared her struggles. But I also think it is fair to recognise that this was a challenging and unclear interaction. The advisor tried their best to assist and navigate a situation that in the moment they were coming into without much prior knowledge. The advisor was compassionate and built a good rapport with Mrs L. The advisor told Mrs L that they would listen to the calls that she had flagged and would call her back when she was more informed about the situation. I think this was an appropriate thing for the Nationwide advisor to have done in the moment. Mrs L spoke to Nationwide again two more times that same day. The overall impact of the advisor not understanding the full picture at the start of the phone call was minimal, especially considering there was follow up from the conversation later that day. This means I am unable to agree that it would be fair to award the compensation our Investigator proposed.

I am sorry to have to disappoint Mrs L. I know that my answer is less favourable than what our Investigator recommended and I'm mindful that Mrs L is finding things a lot to cope with. Mrs L has a disorder, and this type of addiction will drive individuals to behave in ways that are harmful to themselves. It is not my intention to add to her distress at what is already a difficult time for her. But for me to find that a consumer should be awarded redress in a case I must fairly and reasonably reach a conclusion that the business whom the complaint is against has done something wrong or acted unfairly. My review of Mrs L's case has not persuaded me that in the circumstances Nationwide did anything wrong by allowing the payments to be made. And although I agree that Nationwide's advisor could have handled some aspects of the call better than they did when Mrs L first spoke to Nationwide on 30 January 2024, I don't consider Nationwide acted unfairly towards Mrs L in the call.

Nationwide responded to confirm it had carefully read the provisional decision and had nothing further to add.

Mrs L confirmed that she didn't agree with the decision owing to the deep stress she'd been caused.

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 know my decision was not the outcome Mrs L was hoping for. But as neither party sent in any further evidence or new arguments for me to consider, I find no reason to depart from the findings set out in my provisional decision, which is reproduced above and forms part of this final decision.

My final decision

My final decision is that I don't uphold this complaint.

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

Claire Marsh
Ombudsman