

The complaint

Miss B complains that despite having gambling block in place on her account she was able to gamble and that Bank of Scotland plc trading as Halifax (“Halifax”) failed in its obligations to identify and support her as a vulnerable customer.

What happened

Miss B has a gambling addiction and enabled the gambling block on her account on 30 September 2025 but despite this was still able to make gambling transactions.

Miss B contacted Halifax and raised a complaint about this on 3 January 2026 requesting Halifax refund payments - including ones pending - made on her debit card to a gambling site.

Halifax explained that the only reason gambling transactions would be allowed to go through when a freeze was in place would be if the merchant doesn’t show as a gambling merchant which is explained when you click ‘Find out more’ under the Gambling freeze in its mobile app. Halifax confirmed the transactions Miss B had made in question were to a company that isn’t registered as a gambling site and so the freeze wouldn’t prevent these transactions and there was nothing Halifax could’ve done to stop them.

As there was no error on its side Halifax didn’t uphold Miss B’s complaint and wasn’t willing to refund Miss B’s gambling transactions as she had authorised them. Halifax suggested Miss B contact the gambling site directly and raise a complaint with it and provided information on external parties that could help support her with her gambling.

Miss B was dissatisfied with this as she says she had done what she was meant to do to protect herself from gambling and didn’t know the gambling block wouldn’t protect her in certain circumstances. Miss B wants a refund of £510 pending payments to a gambling site and so brought her complaint to this service.

Our investigator looked into Miss B’s concerns and explained that gambling blocks work by preventing payments to businesses that are identified as gambling merchants through merchant category codes that are applied by the merchant themselves and not the bank. And as the transactions in question weren’t classified under a gambling merchant category code the gambling block wouldn’t have applied to those payments. They were satisfied Halifax had provided this information within its app and the gambling block was active and working as designed and Halifax hadn’t made an error.

Furthermore, as there weren’t any clear signs of fraud or other specific reasons to intervene on Miss B’s statements, they didn’t think Halifax should’ve reasonably done anything more given gambling is a lawful activity and firms aren’t generally required to monitor and intervene in authorised transactions solely because they appear high risk.

Miss B disagreed, although she accepts the gambling transactions were authorised by her, she says despite Halifax knowing she had a gambling problem and was vulnerable, it failed

to intervene when it should've given the escalating indicators of financial harm that were visible within her account activity and asked for an ombudsman's 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.

Miss B is unhappy that she was able to make gambling transactions despite having gambling block enabled on her account. Miss B doesn't believe Halifax provided enough support and failed to protect her from her gambling when it didn't intervene.

I sympathise with Miss B and the gambling struggles that she has and I hope she is now in a better position and getting the right help and support for this. I appreciate how difficult gambling addiction can be and I'm sorry to hear about the distress Miss B has experienced. However, my role isn't to decide the case on the basis of sympathy alone, but to consider whether Halifax acted fairly and reasonably, and in line with its obligations.

It might be helpful for me to say here that, as we are not the regulator, I cannot make a business change its systems or processes – such as what it must have in place to assist customers with their spending or what accounts should be monitored for. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said while I wouldn't tell Halifax what tools it needs to have in place to support a customer with a gambling addiction and nor would I expect it to monitor an individual account every day for gambling transactions – this isn't practical and ultimately, gambling isn't illegal and it is up to the customer whether they utilize the support available or continue to gamble. But I would expect a business to step in and offer appropriate support where I consider it should've reasonably become aware there might be a problem.

Miss B enabled the gambling block on her account on 30 September 2025. Gambling blocks operate by declining transactions made to merchants that are identified as gambling businesses through merchant category codes. These codes are assigned by the merchant, not by the bank. So where a merchant doesn't identify itself as a gambling merchant, a gambling block won't stop transactions being processed.

Halifax has explained that the transactions Miss B made were to a company that wasn't registered as a gambling merchant and therefore the gambling block wouldn't have applied. I'm satisfied this explanation is consistent with how gambling blocks generally work and that the block on Miss B's account was active and functioning as designed. I haven't seen any evidence that Halifax made an error or that the block failed due to a fault on its part.

I'm also satisfied that Halifax provided clear information about how the gambling block works within its mobile app, including that it won't block transactions where a merchant doesn't use a gambling merchant category code. This information was available to Miss B when she chose to enable the block. And given Miss B had a number of gambling transactions go through before contacting Halifax about this suggests to me that she was aware that certain gambling transactions weren't caught by the block.

While I understand Miss B feels she did what she reasonably could to protect herself, the fact that the gambling block has limitations doesn't mean Halifax acted unfairly or that it should be held responsible for authorised transactions that fell outside the scope of the block.

The transactions in dispute were authorised by Miss B using her debit card and there's no suggestion they were fraudulent or processed incorrectly. In these circumstances, Halifax isn't generally required to refund authorised card payments simply because a customer later regrets making them or because the spending is harmful. And so given there was no error by Halifax, I don't think it would be fair or reasonable to require it to refund Miss B's gambling transactions.

Miss B says Halifax knew she had a gambling addiction and should have intervened sooner based on what she describes as escalating indicators of financial harm in her account activity.

I've thought carefully about this point. Gambling is a lawful activity, and banks aren't generally required to monitor customers' authorised transactions or intervene simply because spending appears high risk or spending habits have changed. While banks often have systems designed to detect fraud or certain types of financial harm, they aren't obligated to identify or act on every instance of potentially harmful but legitimate spending.

Looking at Miss B's account activity during the relevant period, I don't think there was anything that should've reasonably alerted Halifax that it needed to intervene. Her account was largely managed within its limits and although I note it dipped into overdraft on occasion this was mainly by a few pence and was corrected shortly after. There were no clear signs of fraud, and the transactions in question didn't appear as gambling transactions within Halifax's systems.

So I don't think there was anything obvious which should've alerted Halifax to take a closer look at the activity on the account before Miss B contacted it, especially considering the activity in question took place over a relatively short period of time of around six weeks from 18 November.

And when Miss B contacted Halifax, I'm satisfied it responded appropriately. It explained why the gambling block hadn't stopped the transactions, declined the refund request for authorised payments, suggested Miss B raise the matter directly with the merchant, and provided information about external organisations that could support her with her gambling, which is in-line with what I'd expect.

I understand Miss B would have liked Halifax to do more, but it isn't the bank's role to control how a customer spends their money or to prevent all harmful spending, particularly where transactions are authorised and lawful.

So taking everything into account, I don't think Halifax did anything wrong or failed to offer appropriate support. The gambling block worked as intended, Halifax provided clear information about its limitations, and I don't think it should reasonably have intervened sooner or refunded the transactions.

And so it follows that I do not uphold this complaint.

My final decision

For the reasons I've explained, I do not uphold Miss B's complaint against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 14 May 2026.

Caroline Davies
Ombudsman