

The complaint

Mr H complains that National Westminster Bank Plc won't refund a series of gambling transactions which he made. He says that the bank should have been aware of his vulnerabilities and stopped the payments.

What happened

Mr H has mental health conditions, including neurodivergence and ADHD. He has explained and provided evidence that those conditions can lead to impulsive behaviour, including uncontrolled spending and gambling.

In October 2024 Mr H attended a NatWest branch with his father to discuss his gambling issues. As a result of that visit, Mr H's father was added to Mr H's account as a third party and there was a discussion about gambling controls and restrictions. The bank agreed to refund some gambling transactions and controls were put in place. In addition, notes were added to the account indicating that Mr H was neurodivergent and prone to compulsive behaviour, such that he might need help in operating his account.

In May 2025 Mr H opened a new account with NatWest. In June and July 2025 he used that account to make a number of gambling transactions totalling some £3,500. Mr H complained that the transactions had been allowed to go ahead. He said that the bank was aware of his issues and that the payments should have been identified as unusual.

NatWest did not agree to provide refunds. It said that there were no restrictions on the account from which the payments had been made. The payments had been unauthorised by Mr H and so were not fraudulent. They had been made from a known device.

Mr H referred the matter to this service, where one of our investigators considered what had happened. He did not however recommend that the complaint be upheld. In reaching that conclusion, he noted that the payments had been made from a different account from that which had been discussed between October and December 2024. There were no restrictions on that account. He also noted that the gambling sites which Mr H had used were using merchant codes which would not identify the payments as gambling-related.

Mr H did not accept the investigator's assessment and asked that an ombudsman review the case.

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, I have reached the same overall conclusion as the investigator did, and for broadly the same reasons.

Mr H says that the bank's systems should have identified that the payments in June and July 2025 were unusual. They were not the type of payments he generally made, and he says

that should have triggered an alert. I accept that Mr H had not previously used this account for gambling payments, but banks' systems are designed to identify unusual payments primarily as a safeguard against unauthorised use and to protect customers from scams. These payments were neither, since Mr H made them. In addition, the fact that a payment might be unusual is not necessarily an indication that it should not be made. In this case, for example, the bank has noted that the payments were made using a recognised device – an indication that Mr H had made them.

I accept that the bank was aware of Mr H's mental health issues and that restrictions had been placed on his account towards the end of 2024. However, he had since opened a new account which he had not restricted. I am satisfied that, by the time he opened the new account, Mr H had a good understanding of the tools which could assist him – both from the bank and the gambling industry. He had however not set up the restrictions on the new account.

I do not believe it was for NatWest to apply restrictions on the new account because it had applied restrictions on Mr H's existing account. It was for him to make that arrangement.

As NatWest and the investigator explained, gambling restrictions operate in part by identifying through merchant codes the industry in which a payee is engaged. If a merchant uses a different code, however, those restrictions may not be completely effective. (A hotel with a casino, for example, might use a code which identifies it as a hotel, rather than one which indicates gambling payments.) However, since there were no restrictions on Mr H's account, I do not need to consider the codes which were actually used in this case.

My final decision

For these reasons, my final decision is that I do not uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 May 2026.

Mike Ingram
Ombudsman