

complaint

Mr H is unhappy because he says National Westminster Bank Plc haven't acted responsibly by lending him money and letting him use his bank accounts for gambling.

background

Mr H has explained he has a gambling addiction. He's unhappy Nat West allowed him to use his accounts to gamble and loaned him money. He also said he'd not received a response to his complaint from Nat West.

Nat West provided a copy of their final response letter in which they said they'd assessed the loan applications in line with their lending criteria. They explained they couldn't stop future transactions or take responsibility for the activity on the account. They referred Mr H to the 'life moments' section of their website and offered him a personalised review of his financial circumstances as well as suggesting other options which might help him manage the accounts.

Our investigator looked into what had happened. She said that she thought Nat West had taken reasonable steps to check whether Mr H could afford the loans. She noted that the loan applications stated the purpose of the two loans were for personal expenditure and a holiday. She also reviewed both of Mr H's bank accounts. On the first account she could see that the account had been used for gambling but Mr H had generally stayed within his agreed overdraft limit. In relation to the second account she said Mr H had gone into an unauthorised overdraft on a few occasions but he'd brought the account up to date within a relatively short period. She also couldn't see any evidence Mr H had made Nat West aware of his addiction or that he was experiencing financial difficulties. So she didn't uphold the complaint.

Mr H didn't agree. In summary, he explained he thought Nat West should have noticed there was a problem, because of arrears and charges. He said he'd had over £500 in charges in one year and had been late with his loan repayments. And he mentioned not having received the final response letter.

Our investigator asked for more information from Nat West who confirmed there had been no charges on one of the bank accounts and that the majority of charges on the other account were packaged bank account fees, which had been refunded as a result of a complaint made in 2015. And they said they had already refunded fees when the account had gone overdrawn. They said Mr H had told them he wasn't struggling financially. So this further information didn't change the investigator's mind about the outcome of the complaint. Mr H asked an ombudsman to review the complaint.

my findings

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

I can see that Mr H has been through a very difficult time. He's explained that he's been diagnosed with Post Traumatic Stress Disorder and he's been accessing help for his gambling addiction, such as utilising government based gambling blocking schemes.

Nat West has a responsibility to carry out proportionate checks when it's lending money to a customer. There are no set checks but they should be reasonable and proportionate. And, if they are aware a customer is experiencing financial difficulties, they ought to act positively and sympathetically. Whilst I have a lot of empathy for Mr H's position I'm not upholding his complaint. I say that because:

- In 2016 Mr H took out a loan for £7500. The repayments were around £195 per month. Mr H took out a further loan for £1600 in 2018. The repayments were around £54 per month. Bearing in mind the amount of money Nat West were lending I think they've evidenced that the checks were proportionate and included information about the account history and checks with credit reference agencies. The loans weren't taken out in rapid succession. And I can also see the purpose of the borrowing was recorded as personal expenditure for both loans, and included a holiday. So taking into account the available information I don't think there would have been any obvious indicators the loans were for gambling;
- Mr H did contact Nat West to say he'd miss a loan repayment. The contact notes say this was due to his boss not being paid and Mr H confirmed he wasn't struggling financially. Nat West offered to go through an income and expenditure check but Mr H said he didn't want to do this as he didn't have the information to hand. So I'm satisfied Nat West did act positively when Mr H missed a payment. And they did check to see if he was struggling financially which is what I'd expect them to do. Other contact notes indicate that on another occasion Mr H missed a payment due to confusion about the bank holiday and the situation was quickly rectified within a matter of days. But this wasn't a regular pattern on Mr H's accounts;
- I appreciate Mr H's accounts show evidence of gambling. But that's a legitimate activity and there's no evidence showing he made Nat West aware of his addiction prior to raising this complaint. I don't think it's reasonable to say Nat West should have done more in relation to the transactions on Mr H's account, especially when they didn't know he had a gambling addiction;
- Mr H says he received a number of charges on the account. However, he didn't receive any charges on one of his current accounts and whilst he had a few charges for being over his agreed limit on the other one they weren't extensive or frequent. He did accrue monthly fees because he had a packaged bank account – which is where customers get certain benefits in reward for paying a fee – but those were standard monthly charges and didn't relate to specific activity on the account. And Nat West refunded some of those charges. So I don't think Nat West acted unreasonably in this case;
- Nat West has written to Mr H to explain some of the things he can do to help manage his account and the ways in which they can help. For example, they've offered him a personalised review and suggested he changes his account to one which is fee free. So I'm satisfied they've acted positively and sympathetically when they became aware of the gambling addiction;
- I'm satisfied Nat West did respond to Mr H's complaint. They issued a final response letter in October 2018 which was correctly addressed. So I'm satisfied it was sent to him in response to the complaint.

my final decision

I'm not upholding 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 29 May 2019.

Anna Wilshaw
ombudsman