

complaint

Mr L's complaint relates to the reopening of his spread-betting account with Sporting Index Limited in 2012. Mr L considers that Sporting Index should have been aware that he had a problem with gambling, and therefore should not have allowed him to use its service again.

background

Mr L held an account with Sporting Index from 2005 to 2007, when he asked for it to be closed. In 2012 Mr L applied to open a new account, but his application was declined as Sporting Index did not permit customers who had previously held accounts with it to open new ones. Mr L then asked for his old account to be reopened, which Sporting Index agreed to. In May 2013, Mr L made his complaint, having suffered losses on his account. The complaint was rejected by Sporting Index. It said it carried out its usual checks and could not have reasonably known if Mr L had a gambling problem.

The adjudicator did not recommend Mr L's complaint be upheld. She said, in summary, that it was not reasonable to expect Sporting Index to have concluded from the information available to it that Mr L had a gambling problem.

Mr L did not accept the adjudicator's view. He said, in summary:

- The comments he made when closing his account should have led Sporting Index to conclude he was a compulsive gambler.
- His gambling activity was commensurate with that of a "consistent" gambler.
- It is not fair to allow those who have previously closed accounts to reopen them.
- Sporting Index has not acted in a way which is consistent with its regulator's requirements.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have come to the same conclusions as the adjudicator, and for broadly the same reasons.

Mr L made his request to close his account in 2007 by email. His email said:

"Dear Sir,

I am writing with regards to account XXXXX. I have decided that spread betting is not for me. Could you please ensure all my withdrawals go through and close my account.

Thanks"

At this time, he had placed approximately 300 bets over nearly three years, with an average stake size of £1.77 and an overall profit of approximately £250.

I do not think, in these circumstances, Sporting Index could have reasonably concluded that Mr L had, or may have, a gambling problem. I therefore consider it reasonable for it to have processed the closure of the account in accordance with its usual process and to have considered the reopening of it in the same way. Its usual process in relation to reopening the account extended to a credit check and a review of Mr L's previous account activity. I am satisfied this was reasonable in the circumstances.

I accept Mr L's point that Sporting Index had regulatory obligations and I agree that, where it had reasonable cause to believe its customer had gambling problems, it would be expected to deal with that in a fair and appropriate way. But I do not think that applies here as, for the reasons I have given, I do not consider that Sporting Index could reasonably have known that Mr L had or may have a problem.

Overall, I am not persuaded that Sporting Index acted negligently in allowing Mr L to re-open his spread-betting account, and do not therefore consider it is responsible for the losses suffered on his account from June 2012 onwards.

my final decision

For the reasons given, I do not uphold the complaint.

John Pattinson
ombudsman