

complaint

Mr H, represented by a family member Mrs G, complains that Lloyds Bank plc allowed him to spend £4,000 on a gambling website even though it knew about his mental health issues.

our initial conclusions

The adjudicator did not uphold this complaint. He said that the bank's fraud prevention systems would be alerted to unusual activity on an account and that because Mr H had spent money on the website before, the transactions in March did not result in an alert. He said that there was no evidence that a £100 limit had been applied to Mr H's account until May 2014.

Mrs G did not accept this. She said the bank was aware of Mr H's mental health issues and should have realised the transactions on 24 March 2014 were unusual and blocked them. She said she did have a limit in place on Mr H's account and has now been told that the £100 limit she applied in May 2014 only applies to cash withdrawals.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mrs G, acting on behalf of Mr H, and the business have provided. I understand that because the bank had blocked previous transactions by Mr H, Mrs G feels it should have blocked the transactions on 24 March. But the bank's fraud systems are in place to prevent fraudulent transactions and as Mr H authorised the transactions these were not fraudulent. How the bank's fraud system works is commercially sensitive but the bank has said that because Mr H had made previous transactions with the website – supported by his February statements - the March transactions did not cause a security alert. I do not find this unreasonable. I have also found no evidence prior to May 2014 of a spending limit on Mr H's account and based on Mr H's spending, I find that Mrs G should have realised this. I understand that a £100 limit for cash withdrawals is now in place.

While I understand the distress this issue has caused, because Mr H authorised the transactions and I find that the bank followed its normal procedures, I do not find that the bank did anything wrong by not blocking the transactions. **My final decision is that I do not uphold this complaint.**

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs G, on behalf of Mr H, either to accept or reject my decision before 4 November 2014.

Jane Archer

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.