

complaint

Mr C complains that Clydesdale Bank Plc didn't stop him using his credit card for gambling.

background

Mr C has had a credit card with the bank since 1987 and recently he has made use of it to spend significant sums gambling. In July 2016 he contacted the bank to complain that it had allowed him to run up large debts. The bank said this was the first time he had told it he had a gambling issue. It rejected his complaint and said gambling transactions are permitted and it didn't have reason to block his card. It also explained that there was no suggestion that the card had been used fraudulently.

Once Mr C contacted the bank it placed a temporary hold on collection activity and offered him information on debt management. Mr C brought his complaint to this service where it was investigated by one of our adjudicators who didn't recommend it be upheld.

She noted that Mr C had made large and regular payments to a gambling site often late at night. However, given these were regular payments to a recognised operator there was no reason for the bank to regard them as being suspicious. Mr C had maintained regular payments into the account until the summer of 2016 when he told the bank of his problem.

The adjudicator said it wasn't the responsibility of the bank to monitor what Mr C was spending his money on, so it would not have been aware he was using his credit card for gambling. She accepted that some of the transactions made were or quite large amounts, but as they were made to sites that were regularly used by Mr C and were, in a lot of instances, similar amounts, these were not treated as suspicious transactions. She noted that when Mr C let the bank know he was in financial difficulty it reacted in a sympathetic and positive way.

Mr C didn't agree and said the bank had a moral obligation to help him. It should have spotted he had a problem and stopped him.

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 have every sympathy with Mr C and his situation, but I find myself in agreement with the adjudicator. The bank is not his moral guardian. It offers a financial service which he is free to use as long as he does so legally and in accordance with the terms and conditions which he signed on taking out the card. The bank wasn't aware of Mr C's wider financial situation and didn't act as his financial adviser.

Even if it had challenged him about any of the gambling transactions it was open to Mr C to explain that they were genuine and it would have had no grounds for stopping payment. It is regrettable that Mr C took up serious gambling, but I can't hold the bank responsible for his behaviour or his losses. That said I would remind the bank of its obligation to deal with Mr C positively and sympathetically in helping him resolve his financial difficulties.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 March 2017.

Ivor Graham
ombudsman