

## **complaint**

Mr T complains that National Westminster Bank Plc (NatWest) irresponsibly gave him a loan of £5,000 when it knew he had a gambling addiction.

## **background**

Mr T says NatWest persuaded him into taking out a loan in May 2017. He says he told NatWest's advisor he was a gambling addict and now he has spent the money. He also says he told NatWest about his addiction on other occasions.

NatWest says it carried out affordability checks on the loan application. It says Mr T passed all of its checks and Mr T agreed to the terms of the loan agreement. NatWest says Mr T told it he "likes a bet" and liked watching football. It doesn't accept being told about any gambling addictions until after it lent. It also says Mr T told it the loan was for home improvements.

Mr T complained to us and our investigator upheld his complaint. She thought NatWest should've carried out further checks to find out where Mr T's money was going in the light of his comment about betting. The investigator thought NatWest should remove the interest from the loan and agree a repayment plan with Mr T. She also thought the loan should be reduced by £500 to reflect the distress caused to Mr T.

Mr T accepts that view and maintains he told NatWest about his gambling problem and says it was obvious by looking at his account and credit card history.

NatWest doesn't accept the investigator's view. It says its staff wouldn't have had access to Mr T's credit card statements and Mr T was only gambling small amounts not easily identifiable from his statements. It also says Mr T withdrew some of the loan in cash which wasn't on the face of it for gambling.

## **my provisional view**

I issued a provisional decision on this complaint and said that I thought NatWest has acted fairly and hadn't made a mistake.

I said that I could see that Mr T applied for a loan for £2,500 before his loan application in May 2017. I appreciated that Mr T said he wanted to speak to NatWest about an overdraft. But I thought it was clear he wanted a loan and I didn't think in those circumstances he was persuaded by NatWest to take out a loan. I looked at NatWest's records and I was satisfied it considered the affordability of that loan and carried out a number of checks. I was also satisfied Mr T agreed to its terms and conditions. I could also see that Mr T had a regular income paid into his account.

I said that I could see that NatWest's advisor had recorded information on its records about Mr T's future plans and also recorded that Mr T "likes a bet" and likes to watch football. I didn't think NatWest could reasonably conclude from that comment that Mr T had a gambling addiction. And I also said that I'd not seen any evidence on its records to suggest Mr T ever told it he was a gambling addict. I thought on balance that if Mr T wished to take out the loan to use for gambling then it's unlikely he would've said anything about its true purpose.

I appreciated that Mr T says it was obvious from his credit card and bank statements he had a gambling addiction. But NatWest told me the credit card was taken out in April 2017 and its advisor wouldn't have had access to those statements. I looked at Mr T's bank statements but I couldn't see any direct reference to gambling company's, just unnamed transactions for relatively small amounts. So I didn't think Mr T's gambling level was obvious and I didn't think a search of Mr T's credit file would have shown the level of addiction as the credit card had just been taken out.

I was satisfied Mr T told NatWest the purpose of the loan was for home improvements. I could also see that when Mr T previously applied for a loan he again said it was for home improvements. I thought in those circumstances, even if NatWest knew Mr T had a gambling addiction, to then to refuse the loan would be to imply the loan was for gambling not home improvements. I also thought that NatWest in that situation could've been criticised for discrimination or bias.

I could see that Mr T had been given information about organisations that could assist him. If he is in financial difficulties as a result of taking out the loan then I said that I would expect NatWest to be positive and sympathetic to his position. NatWest has said it's prepared to help Mr T, so I was satisfied it's acted in such a way.

Overall my provisional view was that NatWest had acted fairly and hadn't made a mistake.

NatWest has accepted my decision but Mr T remains unhappy. He maintains he told NatWest that he had a gambling problem. He says he didn't ask for a loan and shouldn't have been given one. Mr T says he did previously apply for a loan but says it was some time ago.

### **my findings**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've come to the same overall conclusion that I did in my provisional decision. I appreciate Mr T says he didn't want a loan but I can see from NatWest records that he made an online loan application shortly before taking out this loan. So I've concluded on balance that Mr T did want a loan. I also appreciate Mr T says he told NatWest about the level of his gambling. But I've set out in my provisional decision why I don't think NatWest has made a mistake and why I don't think it was aware of that level of gambling.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 March 2018.

David Singh  
**ombudsman**