

complaint

Ms R is unhappy that Barclays Bank PLC offered her credit, even though it knew about her gambling problems. She also says Barclays didn't help her when she asked it to.

background

Ms R has a current account with Barclays. She also had a credit card that she took out in 2010. This account was closed in April 2012. A new account was then opened in July 2012.

Ms R says she first told Barclays about her gambling addiction in 2010 and has made it aware of this on numerous occasions. She says Barclays:

- shouldn't have given her a new credit card in July 2012 when she'd closed the previous account because of her gambling addiction.
- agreed to raise her credit limit, even though it knew about her gambling addiction.
- told her it couldn't block gambling transactions from her account and didn't offer her any help when she raised this.
- offered her loans even though it knew she had a gambling addiction.
- hasn't provided her with a good service when she made her complaint.

Barclays says it operates a strict lending policy and it took into consideration the information provided in Ms R's application and it did credit checks before it offered her credit facilities. When the credit limit was increased, Ms R's account was being managed satisfactorily and there wasn't any adverse information on her credit file. It did say it could arrange for her cash limit to be removed, which might stop Ms R being able to process gambling transactions. It also credited Ms R's account with £100 as compensation for the service she'd received.

Our investigator didn't uphold Ms R's complaint. She thought Barclays had done appropriate checks when it gave Ms R a credit card and when it agreed to increase her credit limit. She was satisfied Barclays wouldn't have been able to stop specific transactions from Ms R's current account. And thought the option given by Barclays to remove Ms R's cash limit on her credit card was reasonable. She didn't think Barclays had done anything wrong by offering Ms R the option to apply for loans. And she thought the offer of £100 was fair for the inconvenience caused by the way Barclays had handled Ms R's complaint.

Ms R didn't agree. She thought the bank had acted irresponsibly by continually offering her credit when it was fully aware of her gambling addiction. She says she'd asked Barclays to block gambling transactions in 2010 and then again in 2015 but it chose not to. Barclays had never offered to help her by stopping cash transactions on her credit card account before. She also explained that while her account might look well managed, this was because she was borrowing large amounts of money from her family.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same overall conclusion as the investigator.

Barclays was required to assess whether the borrowing was affordable before it gave Ms R the credit limits it did. It says it did a credit check and credit scored the information Ms R had

given in her application. And there was nothing to suggest Ms R wouldn't be able to afford to have a credit card.

All of this was done online and I wouldn't expect Barclays to cross reference with other accounts Ms R had with it, other than to look at how those accounts were managed. Even if there were notes on Ms R's first credit card account about the fact she had closed it because of her gambling addiction, this wouldn't be picked up as part of an online application for a new card. And I wouldn't necessarily expect Barclays to put any sort of marker on Ms R's account to prevent her getting credit just because she'd had previous problems.

Barclays can't stop Ms R using her credit card for particular types of spending. It has suggested removing the cash limit, which might stop gambling transactions being processed. But it says there's no guarantee that they would all be stopped because it depends on how the gambling website processes the transactions. So, while it could've suggested this sooner, I can see why it hasn't because it isn't the 'fix' that Ms R wants.

Ms R has also used money from her current account for gambling. But there's very little I could expect Barclays to do to stop her doing this. It isn't up to the bank to tell its customers what they can or can't spend their money on. And it couldn't stop her paying money to specific types of companies, if that's what she wanted to do.

Because of the way Ms R has managed her gambling debts – by borrowing money from her family – there's nothing in her credit file or account history to suggest there's any reason for Barclays not to lend her money. Barclays won't know where the money is coming from and there's little to suggest Ms R is struggling financially. That's why, when Ms R looks at her account online, Barclays tells her how much it might be able to lend to her. As I've said, just because Ms R has had gambling problems in the past, this doesn't mean I would expect Barclays to never lend her money again.

Barclays has accepted the service it gave to Ms R when she complained would've caused her some inconvenience and frustration. And it has credited £100 to Ms R's account as compensation for this. I think this is fair compensation in the circumstances.

my final decision

My final decision is that I don't uphold Ms R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 5 October 2016.

Claire Allison
ombudsman