

complaint

Mr S complains that Barclays Bank UK PLC (trading as Barclaycard) didn't block his credit card after he'd notified it of his gambling addiction and this was irresponsible. As a result he used his credit card and spent £2,300 on gambling transactions which he'd like written off.

background

In May 2016 Mr S notified Barclaycard that he was experiencing financial difficulty due to a gambling addiction. It was agreed with Mr S that Barclaycard would block his card and a repayment plan was agreed. Mr S thought his card was blocked permanently and that he couldn't use it again.

In March 2018, he relapsed and used his credit card to spend £2,300 on gambling transactions. He's unhappy that Barclaycard allowed him to use his card despite being aware of his gambling addiction and he thinks this was irresponsible. To settle the complaint he wants Barclaycard to write off the £2,300 he spent on gambling transactions.

When Mr S complained to Barclaycard, it upheld his complaint. It agreed that Mr S had made them aware of his gambling addiction but this hadn't been noted on all of its systems. It offered £250 compensation. It also refunded over credit limit charges of £24, a late payment fee of £12, and interest of £64.90. Mr S doesn't think this is sufficient so he referred his complaint to our service.

When our adjudicator looked into Mr S's complaint she didn't recommend it should be upheld. She thought that when Barclaycard wrote to him in late May 2016 to confirm his temporary payment arrangement, it was clear that at the end of his temporary arrangement his account would return to normal and *"you'll need to start paying your contractual minimum payment and will charged late payment fees if you don't pay on time"*. Therefore she didn't agree the bank had made an error as the plan was for 12 months and as he met his contractual minimum payments his account returned to normal.

She noted that Barclaycard sent him a letter in May 2017 to tell him his reduced payment plan had ended. Although Mr S told Barclaycard of his gambling addiction on 13 June 2017 she noted that gambling transactions were permitted by the terms and conditions of his account. The transactions were recorded on his statements as cash transactions and Barclaycard had explained that even if there had been a block on his account, it wouldn't have been possible to block the transactions because they came up as cash transactions rather than gambling transactions.

The adjudicator noted that Barclaycard had refunded to Mr S over credit limit charges of £24, a late payment fee of £12, interest of £64.90 and it had also offered £250 compensation. She also noted that Barclaycard agreed to reset a payment plan he'd set up through a debt charity and she noted that although the Barclaycard agreed to reduce Mr S's interest to 6.9% during the temporary arrangement no interest had in fact been charged on his account since September 2016. Overall she thought this was fair and reasonable.

Mr S doesn't agree with the adjudicator's view. He made a number of detailed points. He thought Barclaycard should have been alerted to his problems due to the number of cash transactions he made around 12-14 March 2018. In response our adjudicator didn't think the bank had made an error because the terms and conditions allow for cash transactions.

He also wanted to know why gambling transactions weren't turned off and he referred to a gambling case study on Barclays' website which says that this can be done. In response, Barclaycard explained to our service that this was a feature only currently available for current account holders with a debit card.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Barclaycard accepts it made an error here because although Mr S told Barclaycard about his gambling addiction this wasn't noted on all its systems. As Barclaycard accepts it made an error here the question I need to ask myself is whether it's done enough to put matters right. On balance I think it has, so I'll explain why.

In May 2016 Mr S contacted Barclaycard as he was experiencing financial difficulties. Barclaycard agreed to suspend interest and charges on his account for 30 days to agree a way forward and his account was put on hold. This was confirmed in a letter dated 20 May 2016.

A repayment plan was then agreed by which Mr S agreed to pay £200 per month for 12 months and Barclaycard agreed to reduce interest to 6.9% during the period of the plan. This was confirmed in a letter dated 24 May 2016. The letter made clear that at the end of the arrangement his account would return to normal.

Mr S kept to the arrangement and in April 2017 Barclaycard notified him that his reduced payment plan would be coming to an end soon. It also wrote to him towards the end of May 2017 to confirm his plan had come to an end and the letter made clear that his credit card account would move back to his standard terms, including interest rates.

Mr S told us that he thought his card was permanently blocked but I've seen nothing to suggest this was the case. I've looked at the letters written by Barclaycard when the temporary arrangement was agreed and I'm satisfied that these made clear that use of his card was only suspended whilst the temporary arrangement was in place. And if Mr S thought his card was blocked permanently there wouldn't have been any need for him to ring Barclaycard as he did in June 2017 to tell them about his gambling addiction.

The terms and conditions of Mr S's credit card account allow gambling transactions to be made and the charges and interest applied to his account appear to have been applied in line with the terms and conditions of his account. So I don't think Barclaycard made an error, procedurally, in applying these. What I need to decide is whether Barclaycard acted fairly.

It's not disputed that Mr S notified Barclaycard of his gambling addiction in June 2017. However, his gambling transactions appear on his credit card statements as cash transactions. Barclaycard has explained that as these transactions were recorded as cash even if a block had been applied, it wouldn't have been able to identify that the cash transactions were gambling related.

Where a cardholder makes transactions and there isn't any dispute that the transactions were carried out by him, I think Barclaycard is entitled to assume that Mr S wanted to purchase the goods or services. And it isn't Barclaycard's responsibility to tell an account holder what they can and can't spend their money on or to monitor transactions or to make unsolicited recommendations about how money is being spent.

As Mr S has had the benefit of the money – in the sense of being able to spend it as he wished – I don't think it would be fair to ask Barclaycard to write off the amount of Mr S's gambling transactions.

I don't agree that Barclaycard should have been alerted to there being a problem due to the number of cash transactions he made in the middle of March 2018. I say this because I've looked at his statements and the cash transactions made were still within the permitted cash limit detailed on his statement.

Barclaycard also emailed Mr S on 14 March 2018 to explain that he was nearing his credit limit and it also sent a further email on 19 March 2018 to let him know he'd exceeded his credit limit. So I think Barclaycard acted fairly in making Mr S aware of his transactions and I think he could have contacted Barclaycard sooner about this.

I'm sympathetic to the position Mr S now finds himself in but for the reasons I've explained above I won't be asking Barclaycard to write off the £2,300 of gambling transactions.

In settlement of the complaint, Barclaycard has refunded a late payment fee of £12, two over credit limit charges of £24, interest of £64.90 and it's also offered £250 compensation. I also note that when Barclaycard set up the temporary payment arrangement in 2016 although it said reduced interest of 6.9% would be charge, Barclaycard has confirmed that no interest was changed on his account since September 2016. Barclaycard also agreed to reset a payment plan Mr S set up with a debt charity. So overall I think Barclaycard's settlement is fair and reasonable in the circumstances.

It follows that I don't uphold this complaint and it remains open to Mr S to accept the £250 compensation offered by Barclaycard which I'd expect it to honour.

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 S to accept or reject my decision before 4 April 2020.

Michelle Hayward
ombudsman