

complaint

Mr I complains that The Co-operative Bank Plc let him down when it didn't place a block on his account after he carried out a series of gambling transactions.

Mr I wants The Co-op to refund the gambling transactions.

background

Mr I has a bank account with The Co-op. Over the course of one evening in November 2018, Mr I spent around £2,000 online gambling. Mr I says that he was in a hypnotic state due to the medication he was taking.

Mr I says that it was unusual for him to make a large number of deposits to the online gambling site. Mr I said that previously The Co-op had blocked a transaction to an online auction site – indicating that it would take this step in other circumstances.

The Co-op doesn't agree that it should uphold Mr I's complaint. The Co-op says that it wasn't unusual for Mr I to gamble online with the particular business. It says that it did go on to block two payments to the online gambling site but that Mr I didn't respond to the message that it had left about the transactions.

The investigator didn't recommend that Mr I's complaint be upheld. He thought The Co-op's explanation that their automated fraud detection system wouldn't necessarily have flagged the transactions as unusual was reasonable.

Mr I sent this service a letter from his GP detailing his medical history. But the investigator still didn't consider it was fair to require The Co-op to refund the transactions as even if Mr I didn't fully understand the nature of the transactions, there wasn't any dispute that he'd authorised them.

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 would first of all like to say that I'm sorry to hear about the problems that Mr I has faced with online gambling. And I can understand why he feels that The Co-op should have taken steps that might have prevented him from using his card. However, like the investigator – I don't consider that it's reasonable to require The Co-op to refund any of the transactions and I will explain why.

Although Mr I has pointed to other instances when The Co-op has blocked payments to the online auction site and then later to the online gambling site, I need to consider what happened in the circumstances of this current complaint. That means I'm only looking at whether The Co-op made a mistake when it didn't block some of the gambling transactions on the night in question in November 2018.

I haven't seen any evidence to suggest that Mr I had told The Co-op beforehand that he had a problem with gambling. And I can't see that Mr I didn't have the available funds in his account to make the transactions.

From looking at Mr I's bank statements, the online gambling transactions over a number of hours in November 2018 – although more frequent and for larger amounts – weren't out of character. For example I can see in July 2018 that Mr I carried out about nine transactions in the same day with the same online gambling business. Overall, Mr I appears to have been a regular and frequent customer of the online gambling business.

So I can't reasonably say that the online gambling transactions should have appeared out of the ordinary and therefore been picked up by The Co-op's fraud detection system or flagged up as unusual activity sooner than it did.

Mr I has given us a letter from his GP detailing some of his mental health problems. I'm very sorry to learn of the struggles that Mr I has faced over a long period of time. But I'm satisfied that Mr I authorised the online gambling payments. The usual position is that if a payment is authorised – as they were here – the business should make the payment in line with the instructions it has been given.

I appreciate that my decision is likely to disappoint Mr I but I can't reasonably conclude that The Co-op did anything wrong. So I don't require it to refund any money to Mr I.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 23 May 2020.

Gemma Bowen
ombudsman