

complaint

Miss G complains that Barclays Bank UK Plc (trading as Barclaycard) charged excessive interest and charges to her account in relation to gambling transactions. She says Barclaycard hasn't acted fairly and should've identified from her spending that she had a problem.

background

Miss G has a Barclaycard credit card account which was opened in March 2011. I've seen account statements from late 2012 onwards. The statements show the card was used regularly. Initially this was for normal day to day usage.

From March 2013, Miss G began using the card frequently for gambling transactions. Each time she used the card for a gambling transaction, she incurred a cash transaction fee. Interest was also applied to the outstanding balance.

These regular gambling transactions continued until January 2018. During that time there were also regular payments made to the account – sometimes for quite large amounts. This kept the outstanding balance in check. But even then the account was often close to or marginally above Miss G's credit limit.

In March 2018 Miss G complained to Barclaycard. She said she felt let down by the situation she'd found herself in. She acknowledged the interest and charges applied were detailed in the terms and conditions. But she felt Barclaycard had shown a lack of care by allowing such a large amount (she estimated combined interest and charges of over £13,500) to have been applied to her account over the preceding four years. She said she felt Barclaycard had looked to profit from her gambling problem and had acted irresponsibly.

Barclaycard said it didn't think it had acted irresponsibly. And it said that all charges and interest had been applied in line with the account terms and conditions. It acknowledged it had made errors in how it initially logged and responded to Miss G's complaint. As a result it credited £50 to her account for the inconvenience as well as a further £100 as a gesture of goodwill to cover some of the interest charges she'd previously incurred.

Unhappy with Barclaycard's response Miss G asked our service to look into the complaint. Although she was unhappy with the goodwill gesture – as when compared to the amount actually charged she thought this was insulting – Miss G said she was no longer concerned with the customer service issue from when the complaint was first logged. Her complaint was now mainly about how she had been treated and whether other account holders might also be disadvantaged by Barclaycard's approach.

An investigator considered what had happened. He said that overall he felt Barclaycard had acted fairly. He thought the charges and interest had been applied in line with the terms of the account. While there had been times that the account had exceeded its credit limit due to some of the transactions it was generally well maintained. And, even when the limits were exceeded, payments then appeared to have been made promptly to rectify this. So he didn't think there was anything about the activity of the account that meant Barclaycard was required to do more.

Miss G asked for the case to be reviewed by an ombudsman. She said her complaint isn't that Barclaycard hasn't acted in line with the terms of the agreement – she acknowledged that it had. But she still feels it should've done more and intervened earlier due to the volume of gambling transactions and the account exceeding its limits at times. As a result the complaint has been passed to me to decide.

my findings

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

Miss G has mentioned being concerned other customers may have been impacted in the same way she has. My role is to look at individual disputes and decide what I think the fair and reasonable resolution is based on the individual merits of the complaint. So while I've taken on board Miss G's comments I've only looked at how Barclays has treated her here.

As Miss G acknowledges, the charges and interest applied to her account in respect of the gambling transactions, appear to have been applied in line with the terms and conditions of her account. So I don't think Barclaycard has made an error, procedurally, by applying these. What is left for me to decide is whether I think Barclaycard has acted fairly.

I haven't seen anything to suggest that Miss G made Barclaycard aware that she had a gambling problem before she complained in 2018 or that she had any concerns about managing financially. So as Barclaycard wasn't asked for help, I've thought about whether it should've had reason, based on the account activity, to potentially intervene and do more sooner.

I've looked at the statements for Miss G's account. And there were a significant amount of gambling transactions, resulting in a significant number of cash transactions fees. But if a card holder makes transactions, and there isn't any dispute these transactions were carried out by Miss G, I think Barclaycard is entitled to assume they want to purchase the goods or services being provided and honour the transactions. So I don't think it had any grounds not to make the payments where the transactions were authorised.

It also isn't Barclaycard's responsibility to tell an account holder what they can and can't spend money on or monitor transactions and make unsolicited recommendations about how money is being spent. So although there were a lot of gambling transactions, I don't think that alone is enough to say that Barclaycard needed to do more or should've limited Miss G's spending.

In addition to the large number of gambling transactions, I can see there were regular payments and credits made to the account. In fact from the statements I've seen I can't see that the minimum payment was ever missed. If payments were missed, I think it would've been reasonable for Barclaycard to ask about this and Miss G's overall circumstances. But here payments were being made – and in a lot of months credits exceeding the minimum payment were being applied to the account.

I can see that the account did exceed its credit limit at the end of monthly statement cycles a number of times – and incurred over limit fees as a result. Barclaycard has shown that on each occasion these fees were charged it wrote to Miss G about this. The letters gave contact details for Miss G to get in touch if she was having difficulty making payments and suggested some changes she could make to avoid further fees – including changing the

repayment dates. Barclaycard also included information in her monthly statements about the fees incurred.

I've thought about whether Barclaycard should've done more than this. But as I've explained from the statements I've seen, each time the account exceeded its limit, payments were made to bring it back within its limit, often for more than the monthly minimum. While Barclaycard could've looked into the spending pattern on Miss G's account in a bit more detail as a result of it exceeding its limit, I don't think I can say it should have. It has offered help and suggestions in the letters it sent Miss G and repayments were being made to bring the account back in line with the agreement. So without any suggestion from Miss G, it's very difficult to say when, if at all, Barclaycard should've recognised any problems Miss G was having over and above someone who was occasionally outside of their account limits but more often than not managing the account normally.

I don't doubt that this was a difficult time for Miss G. But taking into account everything I've seen, I don't think I can say that Barclaycard has acted unreasonably. The charges and interest applied to her account were applied correctly. And I don't think the operation of the account meant that Barclaycard should have proactively intervened before Miss G made it aware of her gambling problem. So as a result I don't think I can fairly ask it to refund any of the charges and interest applied in respect of the gambling transactions.

my final decision

While I'm sorry to disappoint Miss G, for the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 13 December 2019.

Ben Stoker
ombudsman