



## Case study: Banking

### GAMBLER BELIEVED BANK SHOULD HAVE BLOCKED ACCOUNT GIVEN GAMBLING ADDICTION

Themes: Gambling addiction; Inability to block account.

This complaint related to a bank's inability to stop a complainant from using their account for gambling.

Miss Q opened a bank account and in 2015 requested an overdraft facility of £250 and a personal loan totalling £11,000 through the online banking platform. The bank approved both loan facilities. Miss Q later requested an increase to £5,000 for her overdraft facility and an increase to £24,270 for her loan facility; again, the bank agreed to do so.

In 2017, Miss Q contacted her bank to advise them that she was suffering from poor health. The bank asked Miss Q to complete a mental health letter but they did not receive a completed form from Miss Q.

In 2019 Miss Q made a complaint to her bank as she believed they should have been aware that she had a gambling addiction and should have taken action to remove her access to her overdraft and personal loan facilities. Miss Q felt she had advised the bank of her condition in 2017 and became stressed with the lack of access to funds and the repeated communications from the bank. Miss Q requested the bank freeze the interest on her loan and write off her overdraft facility because she believed that the bank had irresponsibly lent her these funds.

The bank said that the online banking platform that had authorised the overdraft and personal loan facilities was not capable of analysing Miss Q's banking transactions to identify her gambling behaviour. In 2015, the assessment would have been based on lending criteria alone and according to Miss Q's income and expenditure information. Based on the information provided, the bank considered that she could afford the amount borrowed. The bank did not uphold the complaint and Miss Q brought her complaint to CIFO.

CIFO investigated and found that a number of gambling transactions were visible on Miss Q's account but felt it unfair to assume that the bank should have been aware from those transactions that Miss Q had a gambling addiction at the time of applying for the overdraft and loan facilities. CIFO also noted that Miss Q had not notified the bank in 2017 that she had a gambling addiction when the bank had specifically requested confirmation of her mental health issues. CIFO felt that gambling is generally considered a recreational activity that is overseen by the local Gambling Commission. Unless the bank was aware that Miss Q had this addiction prior to the authorisation of the loan and overdraft facilities, the bank should not have a duty of care to protect Miss Q from her undisclosed addiction. At the time of CIFO's investigation, the bank had provided Miss Q with a year's interest free status on her debt to help her to deal with her situation. CIFO concluded that this

was a fair and reasonable accommodation under the circumstances. CIFO did not uphold the complaint.