

Delayed posting of debit card charges after the use of the card in an online casino

Topic: **Cards** Case number: **2021/27**

The customer played in an online casino and used her bank's debit card to top up her gaming balance. Due to an error at the casino's payment service provider, the debits were not immediately booked to the client's bank account for about three months. The total debiting of all accumulated payments after this time resulted in the client's bank account being overdrawn by several thousand francs. The client was of the opinion that the bank had to take over this amount, since the bank did not allow an overdraft for the account and she would not have continued to play if she had known that she no longer had an account balance. The bank refused such a waiver and was only willing to waive the debit interest for the client. In the mediation procedure, the bank explained its position in detail and was not prepared to make any further concessions.

The incident described by the customer stemmed from an event in 2020 and involved a large number of players from certain online casinos who used the option of topping up their gaming balances with the bank's debit card. It was also widely discussed in the press.

After the Ombudsman asked the bank to comment on the customer's complaint, the bank explained that the online casinos concerned had used a payment service provider which acted as an interface between them and the bank. When a customer charges their card to top up gaming funds, the payment service provider first makes a request to the bank, which blocks the corresponding funds in the customer's bank account for a certain number of days if there are enough funds. When the direct debit from the online casino arrives via the payment service provider, the customer's account is definitely debited. The bank could not influence when this would happen. If the direct debit arrived at a time when the credit had already been released due to the passage of time, the account would still be debited. This mechanism was laid down in the bank's terms and conditions. According to these terms and conditions, customers confirm that they accept such debits in any case.

Due to an error on the part of the payment service provider, no such debits were made for about three months. The card charges accumulated during this period were then debited in total to the respective customer accounts, which led to overdrafts when there were no longer sufficient funds on these accounts because the respective blocked amounts had already been released.

The bank was of the opinion that the clients had undisputedly made the card charges and had received the expected consideration in the form of gaming credits. The fact that the bank in principle did not grant overdraft facilities for these accounts did not change anything. This merely meant that the bank was not obliged to allow overdrafts. However, if such overdrafts nevertheless arose due to transactions actually carried out, the clients were of course obliged to repay them.

According to the bank, there was no error on its side. The payment service provider, where the error apparently occurred in connection with a software update, represented the online casino and was its responsibility. The online casinos concerned were therefore prepared, under certain conditions, to waive the gaming losses in the period in question. The bank was only prepared to waive the accrued debit interest and was willing to discuss the repayment modalities for customers who got into

financial difficulties as a result of the incident.

The Ombudsman was able to understand the customer's irritation regarding the incident and was also sympathetic to her argument that she would not have continued playing if she had known that she no longer had any account credit. However, since certain delays in debiting can never be ruled out and according to the terms and conditions the respective merchant, i.e. in this case the online casino, decides when to initiate the debit, it seemed indispensable to him that the customers themselves check the debits based on the payments they have made. The customer had not actually suffered any damage, as she had received a consideration in the form of gaming credits for the debits she had authorised. The responsibility for any damage would probably not have been attributable to the bank, but to the online casino or its payment service provider. The Ombudsman was not convinced by the customer's argument that she did not have to repay a debit balance on her account because the bank excluded overdrafts, since the debits that led to the overdraft were made by the customer.

In view of the bank's firm stance and its comprehensible reasons, there seemed to be no prospect of continuing the mediation procedure. The Ombudsman terminated the mediation procedure by issuing a final decision to the client.