

The complaint

Mr F complains Monzo Bank Limited didn't apply its gambling block the way it said it would and that he gambled and lost money as a result.

What happened

Mr F has an account with Monzo Bank and, he says, a couple of other businesses.

Monzo offers its customers the ability to block gambling transactions. This block can be switched on using Monzo's app.

On 6 July 2020 Mr F contacted Monzo through its chat facility. The gambling block for Mr F's account was switched on at the time. He asked Monzo to turn off the block with immediate effect. The agent who replied to Mr F said turning off the block normally takes 48 hours. Having asked Mr F several questions, the agent turned the block off with immediate effect. That was on 7 July.

The following day Mr F complained about Monzo removing the block without waiting for 48 hours. He said he'd gambled that evening and lost over £750. He wanted Monzo to refund him.

Monzo investigated Mr F's complaint and said it didn't think it had done anything wrong. So, Mr F complained to us.

One of our investigators looked into Mr F's complaint and said that they didn't think Monzo had applied enough friction when Mr F had asked for the block to be removed. So, they upheld Mr F's complaint and awarded £200 in compensation for the distress caused. Monzo disagreed with the outcome, saying it had done nothing wrong. So, I was asked to consider this complaint.

Having considered this complaint, I issued a Provisional Decision saying that I didn't think Monzo had done anything wrong, and that I didn't think it would be fair or reasonable to tell it to do more. Mr F disagreed with me saying that Monzo had breached its own terms and conditions, and that they were misleading, because Monzo's terms and conditions say that it takes 48 hours to remove the gambling block. Mr F said he had accounts with other banks who he contacted on the same day and they refused to turn the block off immediately. Mr F thought my decision, including disagreeing with our investigator, was unfair and unjustified. He wasn't happy with how long it had taken for his complaint to be dealt with either. Monzo accepted my Provisional Decision.

What I've decided – and why

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

Mr F has told us that he has problems with gambling.

As I mentioned in my Provisional Decision, I can see Mr F contacted Monzo through its chat facility on 6 July 2020 shortly before 7pm asking Monzo to turn off the gambling block with immediate effect. Normally an agent replies quickly. In this case, an agent didn't reply until shortly before 6am the following day. The agent asked Mr F why he wanted to remove the block urgently and whether his circumstances had changed since he had enabled the block. The agent also said that if Mr F was struggling with gambling in any way, or in financial difficulties, to let them know so they could point him in the direction of advice and support, should he need it. Mr F replied shortly before midday to say that he wasn't a problem gambler, gambled responsibly and never knew the account had a gambling block so he'd like it removed. An hour later the agent replied to say that the block isn't automatically put on so he would have needed to enable the block. They also asked again why he needed the block removing urgently and whether his circumstances had changed since he had enabled the block. Mr F replied ten minutes later to say that he'd never enabled the block and that it had been on since the account was opened and that he wanted to bet on the football match that evening. Mr F hadn't told Monzo at that stage that he had a gambling problem, so the agent removed the block immediately.

As I mentioned in my Provisional Decision, I've seen Monzo's policy in relation to its gambling block. I can see a note that the agent made at the time that suggests they considered the policy before removing the block and followed it. I don't think that the transactional activity on Mr F's account showed he had a gambling problem at the time. So, I wouldn't have expected the agent to have escalated the request because of this. Monzo's policy does, however, suggest that where a customer wants to remove a block in less than 48 hours that the vulnerable customers team should have input. I can't see that they did. So, it does look like Monzo might not have followed its policy to the letter in this case. The block that Monzo offers – and the friction that it creates – is a really helpful tool for consumers with a gambling problem. It can give consumers with a gambling problem time to rethink and get over their immediate urge to gamble.

The following day Mr F complained saying that he'd lost a lot of money gambling and he wanted Monzo to refund him. In that complaint Mr F told Monzo that he had a gambling problem. I'm satisfied that this was the first time he'd told Monzo this, and that there was

As I mentioned in my Provisional Decision, on 11 August 2020 Mr F contacted Monzo through its chat facility asking for the gambling block to be removed – he'd done so a couple of other times too. An agent replied an hour later to say that the process of removing the block could be started, and that in 48 hours he'd be able to see the option to turn the block off. Three hours later Mr F asked for the block to be switched off with immediate effect. The same agent replied two minutes later asking why he wanted to remove the block urgently and whether his circumstances had changed since he had enabled the block. The agent also said that if Mr F was struggling with gambling in any way, or in financial difficulties, to let them know so they could point him in the direction of advice and support, should he need it. Mr F replied an hour later to say that he wanted to bet on the football match that evening. I can see that the agent saw a note to say Mr F had told Monzo that he had a gambling problem – this note was added after he complained on 8 July 2020. So, they escalated the request to Monzo's vulnerable customers team an hour and a half after his original request. Mr F told a new agent that had taken over by then that normally the advisor just turns the block off for him. The agent explained again that Monzo had a dedicated team that deals with requests like his, and that they were passing the request over to them. Half an hour later an agent from the specialist team contacted Mr F and explained why Monzo's gambling block is designed with a 48 hour cool down period. The agent asked whether everything was OK with Mr F's gambling. The agent asked a couple more questions and Mr F explained why he uses the block and again that he wanted to bet on the football that evening. I can see the agent believed they'd applied friction and that they didn't want to apply any more pressure, so they agreed to remove the block. I think what happened on 11 August is important when

deciding whether or not Monzo's response on 6 July was fair and reasonable or not. I'll explain why.

As I've already mentioned the block that Monzo offers – and the friction that it creates – is a really helpful tool for consumers with a gambling problem. It can give consumers with a gambling problem time to rethink and get over their immediate urge to gamble. The block often works, but not always. There's an argument that in this case the agent who was chatting to Mr F on 7 July ought to have got guidance from Monzo's vulnerable customers team. Had they got guidance from Monzo's vulnerable customer team, however, given that Mr F hadn't told Monzo he had a gambling problem, given that there were no transactional warnings and given that the friction applied on 11 August wasn't enough to stop Mr F going ahead and gambling, I don't think it would have made a difference. I should add that the block wasn't actually removed immediately either, because of the delay in the agent getting back. It was removed over 18 hours after Mr F asked for it to be removed immediately. Mr F still wanted to gamble at that point. So leaving the block on for an additional 30 hours – meaning it would have stayed on for 48 hours after Mr F had asked for it to be removed (as advertised) – might not have made a difference either although many consider the 48 hour period to be the right amount of time to allow a problem gambler time to rethink and get over their immediate urge to gamble. As such, I don't think Monzo's response to Mr F's request on 6 July 2020 to remove the gambling block was unfair or unreasonable. I agree with Mr F that Monzo's terms and conditions say that it takes 48 hours to remove the block, and I can understand why he feels this is misleading. Monzo's terms and conditions – and what they say – are, however one of a number of considerations I have to take into account when deciding what I think is fair and reasonable. And having taken all those considerations into account, as mentioned above, I don't think it would have made any difference if the agent had followed Monzo's guidance to the letter.

Mr F contacted Monzo on 11 August – as I've already mentioned – to ask for the block to be removed. On that occasion Monzo applied more friction saying that the block could only be removed with 48 hours' notice. I think that this was the right thing to do, and it shows that as Monzo learnt more about Mr F's gambling problem – a problem it had only recently become aware of – the more it's been able to help.

In this case, for the reasons I've given above, I don't think it would be fair or reasonable to tell Monzo to do more than it has already done so. I don't think Monzo has done anything wrong, and it's good to see Monzo made a note of Mr F's gambling problem when he shared it with Monzo and took steps to help support him. It's good to see how Monzo's response has evolved too as its understanding of Mr F's gambling problem has evolved. It follows that I don't agree that Monzo ought to be paying any compensation to Mr F.

I appreciate that Mr F isn't happy with my decision, and that he thinks it's unfair that I've reached a different outcome to our investigator. Both parties, however, have the right to refer a complaint to an ombudsman if they disagree with what our investigator says. In this case, Monzo disagreed with our investigator. The ombudsman who looks at the complaint does so with a fresh pair of eyes and may or may not agree with the investigator. That's how it should be. In this particular case, having looked at the complaint with a fresh pair of eyes, I don't think it's a complaint we should uphold. So, I let both parties know what I was thinking – given that I was thinking differently to our investigator – and gave them both an opportunity to comment. Mr F has done so, and I've taken his comments into account.

My final decision

My final decision is that I don't think Monzo Bank Limited has done anything wrong and I won't be telling it to do more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 18 April 2022.

Nicolas Atkinson
Ombudsman