

## **The complaint**

Mr D has complained that he was able to make gambling transactions through his Monzo Bank Ltd account despite having a gambling block in place.

## **Background**

Mr D opened a bank account with Monzo in May 2022. In July 2022 he contacted Monzo to say that despite having applied its gambling block to his account, he was still able to gamble through online gambling websites based outside of the UK.

Monzo responded to Mr D's complaint and explained that while the block could be really useful unfortunately it wasn't guaranteed to work with every gambling retailer online as not all of them identify as gambling websites. It offered to manually add the websites Mr D had been gambling through onto its list of blocked websites so that neither Mr D nor any other Monzo customer using the gambling block would be able to use these websites in the future.

Following this in August 2022 Mr D contacted Monzo again to say that he was still gambling with overseas gambling websites. He said that the gambling block was the only reason he had opened his Monzo account. He explained that as a gambling addict he was unable to prevent himself from using these websites and so was dependant on Monzo's block working properly. He said that the block had failed to work and he wanted Monzo to refund all of the money he had lost to gambling websites.

Monzo responded and explained that the issue with the block was that it could only identify those websites that are categorised as gambling websites. If the website uses a different kind of categorisation, such as 'gaming', or 'entertainment', the block won't work. As such Monzo didn't think it had done anything wrong and so refused to refund the money Mr D had lost.

Unhappy with Monzo's response Mr D brought his complaint to our service. One of our investigators looked into the complaint for him. She found that Monzo had applied the block properly and had responded appropriately and sympathetically to Mr D when it became aware of his addiction. She didn't think Monzo was responsible for the losses Mr D incurred, so she didn't uphold his complaint.

Mr D remained dissatisfied and asked for an ombudsman to review his complaint again and so it has been passed to me to consider.

## **My Findings**

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

Having done so I agree with the outcome reached by our investigator and for much the same reason.

I appreciate that this is a very difficult situation for Mr D and I want to thank him for being so

honest in his submissions. When a consumer discloses a vulnerability to a business, as Mr D has done, we expect that business to treat them with dignity and compassion and provide them with tailored support.

When Mr D opened his Monzo account in May 2022, he didn't contact the bank immediately to inform it of his gambling problem, but he did apply the gambling block straight away. Unfortunately though Mr D was able to use his Monzo account to gamble despite the block being added to the account. Monzo has explained why this has happened, but I will repeat the explanation here as I agree it is correct.

Gambling blocks work by identifying the merchant category code ("MCC") the retailer has applied to it. Different types of retailers have different codes, and there is a specific one that gambling websites are supposed to use. If a gambling merchant doesn't apply the correct code, things like gambling blocks won't work. This is because the algorithm that the block relies on is designed to identify the gambling MCC and not any others. So, if a different code is used, the algorithm won't pick up on it and the transaction will complete as normal. Unfortunately, this is an issue that impacts all gambling blocks, across all the financial institutions that offer them, and is not unique to Monzo.

So, I can't safely say that it's Monzo's fault that Mr D found a way to gamble through his account. This is because Mr D himself has confirmed that the block did work with the majority of UK based gambling websites. But by using websites based outside of the UK Mr D found a way to circumvent the block. I appreciate that Mr D is an addict, and that addiction will drive people to behave in ways that are harmful. But I can't hold Monzo responsible for gambling merchants who have miscategorised their websites in a way that allows them to prey on vulnerable people such as Mr D. Had the merchants used the codes they are supposed to use, the block would've worked.

The next thing I want to address is how Monzo responded once it became aware Mr D had a compulsive spending addiction. As mentioned above businesses are obliged to offer useful and tailored support to vulnerable consumers when they become aware of their vulnerability. When Mr D contacted Monzo to explain he was an addict, and had been gambling despite the block being on his account, Monzo replied by explaining why the block hadn't worked and also offered some additional support. It immediately manually added the websites Mr D had identified as gambling websites to its block thus preventing Mr D, and any other Monzo gambling block users, from being able to access those specific websites again. It also asked Mr D if there were any other websites he'd been using that he wanted it to manually add to the block. Finally, it asked Mr D if he wanted to speak to someone from its vulnerable customer team so he could let it know specifically what sort of help and support he would find useful going forward.

Mr D didn't respond to this request as he was still distressed that the block hadn't worked and that he had lost a lot of money. I can understand why Mr D wasn't prepared to speak with Monzo at the time, but I am pleased to see it responded in the way I would expect it to. And while Mr D is understandably frustrated and unhappy that the gambling block didn't work on every website he tried, I'm satisfied that Monzo did all it could to explain the limitations of the block when it was first applied on Mr D's account and offer genuine and tailored support to him when it became aware of his addiction. And for those reasons I'm not upholding Mr D's complaint.

I know this will come as a disappointment for Mr D and I hope he is getting the help and support he needs with his addiction.

**My final decision**

For the reasons set out above I don't uphold Mr D's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 24 March 2023.

Karen Hanlon  
**Ombudsman**