

The complaint

Mr G complains Monzo Bank Ltd has refused to refund gambling transactions debited from his account while he had a gambling block turned on.

What happened

Mr G has a current account with Monzo, and in late June 2022 he turned on the gambling block for his account. Despite the block being in place, Mr G spent just over £400 on gambling across two days in mid-July 2022.

Mr G flagged the gambling transactions with Monzo in late July 2022. However, they said he couldn't claim the funds back because he hadn't made the transactions by mistake. But they said they would place a block on the gambling company so that he couldn't make gambling transactions with them again.

In February 2023, Mr G reached out to Monzo again and explained he was struggling financially. He mentioned he had a problem with gambling and had been struggling with his mental health. Mr G also asked for the July 2022 gambling transactions to be refunded.

Monzo issued their final response at the start of March 2023. In this they explained they wouldn't be refunding the gambling transactions despite a gambling block being in place. That was because the block only works on transactions if the retailer used the merchant code for gambling transactions, and that didn't happen for the transactions Mr G had complained about. Mr G remained unhappy with Monzo, so he brought his complaint to our service.

Our Investigator looked into Mr G's complaint but didn't think it should be upheld. She agreed that Monzo's gambling block only worked on transactions where the gambling merchant code was used. And as that merchant code wasn't used for the July 2022 transactions, she didn't think Monzo had treated Mr G unfairly.

As Mr G disagreed with our Investigator, his complaint was passed to me for a final 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.

Having considered everything, I'm not upholding Mr G's complaint. I'll explain my reasoning below.

It's not disputed that Mr G has had a gambling block in place since June 2022, so it's clear he wanted to utilise this form of support. But for me to decide whether Monzo treated him unfairly, I've had to consider how the gambling block works and what was explained to Mr G when he turned it on.

Monzo has explained that the gambling block only works when a specific merchant code is used to identify gambling transactions. And this isn't unusual when it comes to gambling

blocks, so I don't consider it was unreasonable for this level of support to be made available to Mr G. But given the limitations in the way the gambling block works, I would expect this to have been made clear to Mr G.

I've seen screenshots of the message Mr G would have seen when he turned on the gambling block. It said:

"This will automatically block any transactions related to gambling.

All transactions have a code which helps identify what kind of transaction they are, and we'll try our best to block these payments (but if they go through then you'll still be liable for them)."

Given the above, I'm satisfied Monzo provided clear information about how the gambling block works and what would happen if gambling transactions were authorised. Therefore, Mr G had the information he needed to understand the limitations of the block and the fact he would be liable for any gambling transactions that were authorised.

I'm satisfied the gambling block works for transactions with the correct merchant code because Monzo has sent evidence that shows gambling transactions having been successfully blocked. So, I've had to understand why the transactions complained about were able to go through.

The July 2022 transactions complained about were with a gambling company. However, they didn't use the merchant code for gambling transactions. Therefore, despite the gambling block being in place, it wasn't able to block those particular transactions.

Mr G was clearly going through a difficult time and had been struggling to control his spending when it came to gambling. So, it would have been incredibly frustrating and upsetting to realise he was able to use his account for gambling when he had a block in place. However, given the merchant code used by the gambling company, I can't fairly hold Monzo responsible for their systems being unable to identify and block the transactions complained about. Monzo doesn't have the power to dictate what merchant code different companies should use, so I don't consider it would be fair or reasonable to ask them to refund the £434 complained about.

I am very sorry to hear about the circumstances Mr G is dealing with and would like to thank him for being so open with us and Monzo. In situations like this, I would expect a business, like Monzo, to offer their customer support. Having read Mr G's chat history with Monzo and listened to recordings of calls he had with them, I was pleased to see and hear that their advisers were sympathetic and offered the level of support I'd expect. I am also pleased to see that Mr G has been able to put some support in place to help him manage his finances moving forward.

I have seen that in July 2022, Monzo said they would block future transactions with the gambling company complained about. This was the right thing to do, and I would expect them to ensure that block has properly been put in place on their systems.

My final decision

My final decision is that I'm not upholding Mr G's complaint about Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 January 2024.

Sarrah Turay
Ombudsman