

The complaint

Mr D complains about the service he received from Monzo Bank UK PLC ("Monzo"). He says Monzo failed to place a block on his account to prevent him making payments to an external account he used to gamble from and this resulted in gambling losses of over £20,000. Mr D experienced long wait times when speaking to Monzo's in-app chat advisers and it failed to offer proactive support.

What happened

In March 2022 Mr D contacted Monzo via the in-app chat function querying whether it could block him from sending payments to an account he held externally and gambled from. Mr D explained he had a *"huge gambling problem and although I've used the option to block any transaction to play at the casino, I just send it to my other account to play."*

Monzo took four days to respond to Mr D's query. The agent that responded provided Mr D with a number of options and information about organisations who could help to support him with gambling and asked him if he would like them to record a note on his account about the information he'd provided to help him. Mr D didn't respond and Monzo didn't follow up the conversation despite Mr D being in touch with it about another matter the following month. As a result Mr D was able to continue to transfer funds from his Monzo account to his external account and gamble around £21,000.

Mr D contacted Monzo again a year later requesting the same type of block and after multiple conversations the payee was eventually blocked five days later.

Mr D was unhappy with this and complained to Monzo that it failed to apply a block to certain bank transfers following him informing it of his gambling addiction and asking for this support.

Monzo didn't uphold Mr D's complaint regarding its failure to block transfers to another account as Mr D had failed to reply to its message and said that it had supported Mr D by providing information on organisations that could help him with gambling. But it agreed the wait times Mr D experienced weren't acceptable and offered him £50 compensation.

Mr D was dissatisfied with this and brought his complaint to this service.

Our investigator looked at all of this and thought given that Mr D had made Monzo aware of Mr D's addictions and vulnerable state it should accept some responsibility and liability for not blocking the payee. They thought Monzo had failed to support Mr D and should've applied the block despite not receiving a response from Mr D - as he could've contacted it if he wasn't happy with this action. But Monzo failed to even follow up on the conversation.

Our investigator also didn't think the waiting times Mr D experienced were acceptable on any of the occasions Mr D reached out for help and that Mr D had had a poor customer journey aggravated by the changing of operators during its chat with him.

They thought Monzo should compensate Mr D £750 for failing to support him after he told it about his vulnerabilities and for the poor customer service journey he experienced.

Monzo have accepted in full that it had failed Mr D and agreed to compensate him £750 as recommended by our investigator. Mr D is dissatisfied with this, he doesn't think this compensates him for the time spent in pursuing his complaint and that the level of compensation does not match with the level of how much he feels Monzo was at fault for the amount he was able to gamble. He thinks there should be a late fee penalty for the lack of response and justice for all the customers like him and has asked for an ombudsman's 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.

It might help if I explain that this service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator, in this case the Financial Conduct Authority.

Rather my role is to look at problems that a consumer has experienced and see if the business has done anything wrong or treated them unfairly. If it has, we seek to put the consumer back in the position they would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

I don't think there is any dispute about the circumstances surrounding Mr D's complaint – a summary of which is outlined above. Or that Monzo failed to support to Mr D when he informed it of his vulnerabilities. In particular, it failed to apply a block to stop him transferring funds to an external account he used to gamble or follow up on this enquiry.

Indeed, Monzo have agreed with our investigator's findings and recommendations in full. So this being the case, all I need to consider is whether £750 compensation for Monzo's failings is a fair and reasonable way to settle this complaint. And I think it is.

From the information we have I think that even if Monzo did block transfers to his external account or follow up on his enquiry and offer more support, it is unlikely that this would've made a difference to the outcome. I believe that Mr D would still have continued to gamble – or rather found a way to fund the account he was using to gamble and still lost money.

I say this because Mr D has told us that he has a long history of gambling and other vulnerabilities - which although he has in the past successfully sort help for - he has admitted he is again struggling with. And I'm not persuaded that the tools Monzo had available to Mr D to support him would be enough to stop him gambling. Mr D himself in his own words said:

"I've used the option to block any transaction to play at the casino, I just send it to my other account to play".

This suggests to me that while the tools Monzo has may act as a deterrent, they aren't fool proof and if Mr D wants to gamble he will find a way and fund his account from an alternative source to his Monzo account.

So because of this I don't think it can be said that if it wasn't for Monzo's failure to offer appropriate support Mr D wouldn't have lost out. And so I don't think Monzo should return the funds Mr D was able to transfer to his other account and spend on gambling, as I don't

believe this is the position he would've been in if Monzo had applied the block or offered proper support.

But I do think Mr D should be compensated for Monzo's failures and the distress and inconvenience this caused him. Mr D was vulnerable, in crisis, seeking help and made Monzo aware of this. But despite this it failed to take proactive steps to provide him with the help he requested and left him in a situation where although he'd taken the brave step to get help, he was left waiting and not given the attention he deserved. And after considering everything I think the £750 compensation recommended by our investigator is fair and in-line with what we'd recommend in situations such as this.

Mr D doesn't think the compensation is enough as it only represents a fraction of what he was able to gamble and believes Monzo should be penalised for the time it took to investigate its mistake and take responsibility for its actions.

I sympathise with Mr D, there is no doubt based on what I've seen he's been through a lot and continues to struggle – not just with his gambling and I do hope he manages to get the help and support he needs and his situation improves. But as I explained above, my role isn't to punish or penalise businesses for their performance or behaviour.

So it follows that although I think Monzo failed to take action and offer Mr D appropriate support given the information it had about his circumstances, I don't think Monzo should refund Mr D for the money he was able to transfer and gamble with, as I think he would have found another way. But I do think Mr D should be compensated for Monzo's failings and I think compensation of £750 is fair and reasonable in the circumstances.

My final decision

For the reasons I've explained I've decided to uphold Mr D's complaint and direct Monzo Bank Ltd pay the fair compensation outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 February 2024.

Caroline Davies
Ombudsman