

The complaint

Mr W complains that Monzo Bank Ltd let him gamble recklessly again and again and at least twice turned off the block he'd requested on gambling transactions when Monzo knew he had a gambling problem. He said he's had no support from Monzo.

What happened

Mr W has said that although he placed a block on payments to gambling providers on his account, he was easily able to remove this and gamble again. He complained to Monzo about its lack of support and help over his gambling addiction and said being allowed to gamble again proves Monzo's negligence. Mr W wants compensation 'for years of gambling abuse I've been allowed to do under them'. He said he's lost over £30,000 since banking with Monzo and is at his lowest with depression and suicidal thoughts.

Monzo responded that it had correctly followed the necessary steps in line with its internal process and procedures. Monzo said Mr W contacted it on 4 September 2023 to remove the gambling block. Monzo said it went back to Mr W and said notes on his account specifically said not to remove the gambling block, but Mr W told Monzo that he was in a good place now and wanted the block removed immediately.

Monzo said its customer support (wellbeing) team reached out to Mr W multiple times with regards to the removal of the gambling block as it was aware about his gambling issues. Monzo said it isn't liable to reimburse his losses as it has taken the necessary steps and sent him multiple support notifications with regards to the removal of the gambling block. Monzo offered assistance to Mr W about his gambling issues.

Monzo's website says how the gambling block functions. *'You can turn on the block yourself in the app. We know that the decision to gamble can often be an impulsive one, so we'll ask you to make some extra effort if you want to remove the restrictions.'*

You'll need to initiate your cooldown period, and we'll also show you a reminder message if you set one up. If you've spoken to us about any struggles with gambling before you'll need to talk to someone in our customer support team first too. We might use that conversation to ask you questions like, "Has your situation changed since you first switched on the restrictions?" to help you think through your reasons for turning it off.'

If you decide that you do want to turn off the block, we'll ask you to wait your full cooldown period. We hope this added 'friction' gives you a little time and space to work out whether the decision to gamble again is the right one for you.'

Mr W wasn't satisfied with Monzo's response and referred his complaint to our service. Our investigator initially recommended it be upheld in part as Monzo hadn't sent its business file. Monzo then set out its process on how the gambling block can be applied and removed and the transcripts of its chats with Mr W. With this information our investigator didn't recommend the complaint be upheld. She said since December 2021 Mr W asked for the block to be removed and re-added many times and had told Monzo about his addiction.

The investigator said Monzo referred Mr W to speak with a specialist team to decide if it was sensible to remove the gambling block from his account, but Mr W told Monzo he wanted the blocks removed as he's got it under control and wanted to bet on the races. Monzo removed the blocks but made Mr W wait at least 48 hours before he could make transactions. She

said the chat transcripts from 2021 to August 2022 show that Monzo actively supported Mr W by trying to find out about his reason for requesting the gambling block to be removed.

The investigator said Mr W wrote to Monzo in August 2022 saying he didn't want the block removed under any circumstances as he's trying to fight his addiction. Monzo noted Mr W's file, reviewed his account and offered support including an increased cooldown period when a block was to be removed, or to speak with a member of the specialist team. Monzo said it could not maintain the block permanently as he had a right to have it removed if he wished.

The investigator said Mr W asked for payments to a person to be blocked and Monzo did this, but in November he asked for the block to be removed. Monzo reiterated to Mr W the message he'd given in August 2022 and the block remained in place. In March 2023 Mr W asked again, and Monzo repeated his previous message. But Mr W sent several emails asking for the block to be removed and called Monzo on 12 March and Monzo agreed to remove the block and Mr W chased this with further messages and a call on 13 March.

The investigator said Monzo had treated Mr W fairly. Mr W disagreed saying, 'How can you change the whole line from refunding to not refunding?'

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.

I was sorry to learn about Mr W's gambling problem and the effect this has had on him. I have looked at Monzo's handling of Mr W's requests for blocking payments to gambling operators to see if it has acted in accordance with the terms and conditions of the account and to see if it has treated him fairly.

Mr W says Monzo failed to intervene when it saw signs of potential gambling addiction and financial difficulty and as a consequence should be responsible for all the gambling losses he's been allowed to do since banking with them, which he says is over £30,000. He said he is claiming the money back from Monzo due to its sheer negligence in not protecting a vulnerable customer.

The terms of Mr W's account with Monzo state:

'You can also ask us to block certain payments in the Monzo app, for example by switching on the gambling block. If you do this we will continue blocking payments until you've either switched the feature off or your cooldown timer has expired'.

I can see that Monzo applied blocks correctly in respect of Mr W's requests and at times removed these when Mr W requested their removal. Monzo has followed Mr W's instructions in relation to the blocks as it is required to do, and acted in accordance with its own terms in respect of the delay to removal via the 'cooldown timer'.

Banks have to support customers that are in financial difficulty, and those who raise issues with compulsive spending. Mr W told Monzo about his gambling addiction and I've seen the regular gambling transactions from his account. I've looked at the communications about this between the parties.

I can see there has been a good level of interaction from Monzo to Mr W regarding his gambling blocks, it has updated its records regarding his stated addiction, referred him to specialist help, and has asked him probing questions about his requests for the removal of the blocks. Monzo's staff have discussed with Mr W whether or not he is certain that he wants the blocks removed and the implications of this for his spending.

From Monzo's records I can see that in August 2022 Mr W said he never wanted the gambling block removed. I can understand this because the subsequent removal of the block has caused Mr W severe mental distress and the loss of a considerable amount of his money on gambling. In November 2022 Monzo was able to dissuade Mr W from removing

the blocks on gambling transactions by reminding him of his August message. However, in March 2023 following repeated messages and calls from Mr W, Monzo removed the blocks but delayed this for about a week. Monzo was correct to say to Mr W that it cannot maintain the block indefinitely in the face of his instructions to remove it.

We expect banks to help customers who reach out with problems such as gambling addiction. Mr W did reach out about this and although it would have been preferable if the blocks on gambling transactions had remained in place, I think Monzo's response was reasonable. I also have to bear in mind that a bank's responsibility doesn't remove the personal responsibility of the customer to take action to protect themselves. I would include in this self-exclusion from gambling operators – Mr W hasn't said if he has taken this step, had he done so his payments to gambling operators would not have been accepted.

I can understand Mr W's concerns about his gambling and the impact on his finances. But having looked at Monzo's actions and communications I have concluded that Monzo has treated Mr W fairly and reasonably with regard to his account blocks and his instructions and so I can't require it to refund the money he has lost. Monzo has done as much as I would have expected it to before removing the blocks on Mr W's account.

I'm sure Mr W will be disappointed with this decision, but I hope he understands the reasons I have reached these conclusions.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 2 April 2024.

Andrew Fraser
Ombudsman