

The complaint

Mr M complains that Monzo Bank Ltd failed to give him adequate support or customer service when he asked it to assist him concerning some gambling transactions he'd made on his account.

What happened

At the end of May 2023 Mr M contacted Monzo to ask it to remove a gambling block he had on his account. Following the block being removed, after the cooldown period had expired Mr M spent over £9,000 on gambling transactions over a 15 day period. At the time he had been taking a mixture of drugs following surgery and also for a health condition. He said that those drugs had caused him to take up gambling again after having been free of it for some time, and he wasn't aware that he'd asked for the block to be removed.

Mr M believed he was not in his right mind when he carried out the gambling transactions and contacted Monzo with a view to asking how he could get the gambling monies refunded. From about 15 to 30 June 2023 Mr M contacted Monzo several times over the phone and through the chat function. He was promised call-backs which he didn't receive. He was also given information about how to dispute the gambling transactions. It appears that Mr M was referred to two teams, one to give him advice about gambling and future support and the other to look at whether he could dispute the transactions. He was however eventually told that Monzo could not raise a dispute for him with his card provider as it did not meet the necessary rules. In particular Monzo said the merchant provided the service and the transactions were authorised by Mr M.

Mr M raised a complaint with Monzo and it provided a final response in September 2023. It said that it was bound by the card provider's rules which required it to remove the gambling block when he requested it. It said that it had acted correctly in not raising a dispute with the merchants (the betting companies) over the transactions. It agreed however that it hadn't provided a satisfactory customer service and offered compensation of £125.

Mr M raised the matter with the Financial Ombudsman Service. Our Investigator carried out a comprehensive review and whilst she didn't think that Monzo would be liable for refunding the amount Mr M spent on gambling, she did think that it should increase the compensation award to £300.

Monzo accepted our Investigator's view.

Mr M was not happy with the amount of compensation proposed. He also felt that he should at least have his overdraft written off with the interest refunded. He felt that all the calls should be listened to as he said he was assured by Monzo he would get his money back. He also said that the length of time he had to wait for his complaint to be considered and delays by Monzo in responding to our Investigator hadn't been mentioned.

The matter has been passed to me for an Ombudsman's consideration.

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.

Our Investigator set out a comprehensive timeline of Mr M's contact with Monzo over the period from June to September 2023. I think that set out the situation very clearly for both parties so I won't repeat it here. I have listened to every phone call recording between Mr M and Monzo's advisers. I've also considered Monzo's notes and I've read through all the online chats that Mr M had with Monzo.

Mr M asked Monzo to remove the gambling block on his account at the end of May 2023. Before that the last gambling transaction on his Monzo account was in September 2020. So his decision to start gambling would seem to be linked to his health crisis around this time. But Monzo was not aware of this, and the rules about applying a gambling block do require that the consumer be able to remove it with a 48 hour cooldown period. And Mr M clearly confirmed that he wished for the gambling block to be removed.

So from the beginning to the middle of June 2023 Mr M carried out a number of gambling transactions with betting companies and casinos. These amounted to over £9,000 and we have asked Monzo if it picked up this unusual activity on Mr M's account. Monzo says that it did not as it didn't trigger any fraud checks. Banks don't carry out manual reviews of customers' accounts, and the problem with gambling transactions is that although cumulatively they may add up to a large amount, the individual transactions probably wouldn't be sufficient to be identified as possible fraud. And in this case the gambling was carried out over such a short period that even if something had been flagged on the account it seems unlikely that there would have been time to contact Mr M before he realised himself what he was doing.

So I don't think that Monzo could be faulted for not recognising that Mr M had restarted his gambling.

But where I think Monzo fell down in this case is in its interactions with Mr M once he got in contact with it to ask what he could do. As I said I've listened to every phone call that has been provided. I don't think Mr M was told at any stage that he would be recovering his money. But I do think that he was encouraged to believe that disputing the gambling payments was the way forward. This was difficult for the customer advisers who were not making decisions about whether it was appropriate for this to be raised as a dispute. Instead I think that at an early stage Mr M should have been put in contact with someone from the disputes team. This was so that he could have been advised properly whether it was likely that Monzo would be able to raise a dispute and whether he might have been successful in recovering his money.

I could see that a specialist adviser spoke to Mr M and pointed him to charities or companies that might be able to assist him with his mental health problems. I can also see that he spoke to several advisers about the mechanics of raising a dispute and also how he should go about raising a complaint. But as far as I can see nobody from the disputes team spoke to Mr M. There are notes on Monzo's file about a decision that this was not suitable for a dispute to be raised. But I think that it would have been more helpful to talk it through with Mr M. He may have been unhappy with the advice but at least he would not have wasted his time trying to put forward a case for disputing the transactions. Further, I note that Monzo reached a decision about whether to refer a dispute on 23 June but didn't advise Mr M about this until a week later. In the meantime Mr M was in contact with Monzo's advisers about how to raise a dispute on the app.

I think that Monzo provided a poor customer service to Mr M. Our Investigator identified several instances of this:

- He asked for help on his initial call in June 2023, but then had to chase this up and wasn't given a clear timeframe to expect a call-back.
- He asked for a call-back in a call a week later. This was not made.
- When he agreed for a call to be made the following day the adviser tried to push this into the following week.
- He then asked several times for updates on his complaint. These requests appear to have been ignored.
- On 11 August 2023 he was told to expect a call from the complaint team within four business days. He didn't hear back until Monzo issued its final response letter in September 2023.

Bearing in mind that Mr M had made it clear that he wanted to discuss matters over the telephone, I do think there was a certain lack of cooperation between Monzo's departments.

I am very sorry to hear about Mr M's circumstances and I would like to thank him for being so open with us and Monzo about his difficulties. I see that Monzo has noted those on his file and I think that the adviser from the customer support team was supportive and sympathetic.

I have to decide on the appropriate amount of compensation. As I've said, regrettably I can't hold Monzo responsible for Mr M's gambling transactions or indeed for him going into overdraft. I would expect Monzo to treat any financial difficulties sympathetically. In respect of the poor customer service, I do think that an award of £300 is fair and reasonable. This is in line with awards we have made in similar cases. I should emphasise that we do not make awards of compensation in respect of the time the complaint was with the Financial Ombudsman Service.

Putting things right

Monzo should pay Mr M £300 compensation..

My final decision

I uphold the complaint and require Monzo Bank Ltd to provide the redress set out under "Putting things right" above.

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

Ray Lawley
Ombudsman