

The complaint

Mr S is unhappy that Monzo Bank Ltd allowed him to make payments to gambling companies despite having a gambling block on his account.

What happened

Mr S has a gambling addiction and applied a gambling block to his Monzo account. The gambling block was supposed to prevent Mr S from making payments to gambling companies from his Monzo account. But Mr S found that, despite the block, he was still able to make payments to gambling companies, and he did so over the course of several months. Mr S wasn't happy that Monzo had allowed him to make payments to gambling companies while having a gambling block in place on his account, so he raised a complaint.

Monzo responded to Mr S and explained that the gambling block works on the basis of merchant codes, wherein it won't allow payments to be made to merchants with a gambling merchant code. And Monzo also explained that the gambling companies to which Mr S had made the payments didn't have a gambling merchant code, but instead had alternative merchant codes, meaning that the gambling block wouldn't apply to them.

Monzo also felt the information they provided about their gambling block, and its limitations, was clear. As such, Monzo felt that the gambling block on Mr S's account had worked as it was supposed to, but that Mr S had made payments to companies which weren't flagged by the gambling block because of the merchant codes those companies used. Mr S wasn't satisfied with Monzo's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Monzo had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr S remained dissatisfied, especially as he had had a similar complaint about a different bank upheld in his favour by this service previously. So, the complaint was escalated to an ombudsman 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.

It's important to note that there is no legal requirement for banks such as Monzo to offer a gambling block. However, many banks, including Monzo, do offer gambling blocks as tools for their customers to use on a voluntary basis.

As has been explained to Mr S, gambling blocks work on merchant codes. This means that gambling companies can circumnavigate gambling blocks by providing merchant codes that aren't associated with gambling. This is explained on Monzo's website, as follows:

"Unfortunately, sometimes transactions aren't tagged with the correct information and if this happens you'll still be charged. If you let us know, we'll add the merchant to our gambling block so it doesn't happen again."

This means that Monzo's gambling block was designed to prevent Mr S from making payments to gambling companies that provide a gambling merchant code. But Monzo have confirmed that the gambling companies to which Mr S made the payments didn't provide gambling merchant codes but provided alternative merchant codes.

As such, I'm satisfied that the fact that Mr S was able to make the payments to those companies wasn't because of any failing of Monzo's gambling block, but because the merchant codes provided by those companies weren't gambling merchant codes.

Mr S has explained that he made payments to these companies for several months. But once Mr S noticed that he could make payments to those companies, I would reasonably have expected him to have contacted Monzo and advised them that the gambling companies to which he was making the payments weren't being recognised by their gambling block, so that Monzo could add them to their gambling block, as per the above quote from Monzo's website.

But Mr S didn't contact Monzo, as I feel it's reasonable to have expected him to. And this means that Monzo's gambling block continued to not recognise that Mr S was making payments to gambling companies because of the incorrect merchant codes provided by those companies.

Because of this, I don't feel that Monzo have acted unfairly by allowing Mr S to make the payments to the gambling companies about which he is unhappy. And this is because Mr S didn't act as I would reasonably expected him to have acted, to enable Monzo to block his payments to those companies.

Mr S also feels that Monzo should have monitored his account spending and noticed that he was making payments to the gambling companies in question, often shortly after being paid. But I wouldn't expect Monzo to monitor Mr S's account in the manner that he suggests here. And while I would expect Monzo to monitor their customers accounts for potentially fraudulent transactions, the transactions that Mr S was making weren't fraudulent – they were legitimate payments that he wanted to make.

Finally, Mr S has said that he previously raised a similar complaint about a different bank that was upheld in his favour by this service. But this service assesses each complaint individually and on its own merits. As such, I'm unable to comment on any previous complaint that Mr S may have brought to this service. However, if Mr S has raised a similar complaint about gambling blocks previously, then that would only serve to strengthen my opinion that Mr S should reasonably have been aware of how gambling blocks work and the limitations of them.

All of which isn't to say that I don't sympathise with Mr S regarding his gambling addiction in a personal capacity. But it is to say that in my professional capacity as a financial ombudsman, I don't feel that Monzo have acted unfairly here as Mr S contends.

This is because Monzo have provided a voluntary gambling block tool for Mr S to use, should he wish to do so, and they've been clear about how that tool works and the limitations of it. And because, ultimately, that gambling block has worked as it was supposed to work. Additionally, I don't feel that Mr S's account spending patterns should have been monitored by Monzo in the manner which Mr S suggests.

I realise this won't be the outcome Mr S was wanting. But it follows from all the above that I won't be upholding this complaint or instructing Monzo to take any form of action here. I hope that Mr S will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 October 2024.

Paul Cooper
Ombudsman