

The complaint

Mr T is unhappy with Monzo Bank Ltd. He said the bank failed to identify his vulnerability and didn't protect him from his gambling addiction.

What happened

Mr T said he was a problem gambler and has been gambling for more than two decades. He said he prioritised gambling over everything else. Mr T said Monzo didn't protect him when it came to the large sums of money he was spending. He said Monzo didn't proactively offer help and he'd lost significant amounts of money over two decades due to the frequency of his gambling.

He complained to Monzo but as agreement couldn't be reached he brought his complaint to this service.

Our investigator didn't uphold the complaint. He said Mr T was never in overdraft, he didn't have a Monzo loan, and he didn't have a flex account. Our investigator noticed that Mr T never went into overdraft and the largest amount ever held in the account at any one time was roughly £1,400. He said Mr T didn't raise any issues with Monzo until after it had closed his account. Our investigator noted Monzo did have a gambling block available for customer use on the account. He also said no salary was paid into the account and Mr T seemed to use it only for limited transactions. Our investigator said Monzo had acted fairly and reasonably.

Mr T didn't accept this and asked for his complaint to be passed 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.

Mr T went into quite a level of detail about his issues when he brought his complaint to this service, including about his career, and the impact and affect this has had on his family. I think that would have been incredibly difficult for him to share.

Mr T said due to gambling addiction he had suffered over two decades with *"financial harm, relationship harm, mental and physical harm."* The amounts Mr T said he's lost in total are staggering and he confirmed he also has huge gambling debts ongoing too.

Mr T said Monzo had a responsibility towards him and didn't identify that he was vulnerable. Mr T said based on his income his spending on gambling was *"significantly high."* He said 99% of his transactions were gambling and repeated every day, week, and month. Mr T said Monzo only closed his account after his financial situation was already destroyed.

Mr T said Monzo didn't fulfil its duties and so it should take all of his liabilities and refund him for all his losses as soon as possible.

In its final response letter Monzo said accounts aren't automatically protected against gambling spending. It said its system acted correctly.

Monzo said it was confident there was nothing more it could have done to proactively prevent Mr T making payments from his account. It said customers are offered support if they advise Monzo of any gambling issues. It confirmed its app does have a function allowing customers *"to block payments to gambling sites which has a built in cooling down period to minimise and restrict access to them."*

Monzo confirmed with the app the gambling block feature is described as:

"You can block yourself from making gambling transactions on your Monzo account. When you turn the feature on we'll block any payments you try to make to gambling merchants, both online and in person."

Monzo said Mr T never made it aware of his concerns about gambling. It continued that he never used the gambling block, or any of the tools available through the app. Monzo said Mr T didn't speak to it in the chat function until it notified him of its decision to close his account.

It said it took its obligations seriously but is unable to monitor each individual and their transactions to the level Mr T was now requesting.

Monzo's letter concluded *"I have found that adequate support was made available to you by us but you didn't look to avail yourself of this support."*

Monzo confirmed Mr T opened his Monzo account in July 2021 and it closed his account May 2023. It confirmed the account peaked once at around £1,400 but it never went below a £0 balance, and no unarranged overdraft was ever used.

Monzo said customers are free to choose how they use their account. Had Mr T held an overdraft and was routinely in overdraft or unarranged overdraft, it would have flagged with the bank. But this never happened. Monzo concluded there was nothing to indicate Mr T was a vulnerable customer struggling with gambling.

Monzo told this service based on Mr T's statements that payments sent between Mr T's own accounts are *"unlikely to be deemed high risk as it is a legitimate activity to send funds to your own account with no evidence to suggest this payment is fraudulent or linked to any risky activity."*

As Monzo wasn't made aware of any issues by Mr T I don't think there was anything that should have prompted Monzo to realise there was a problem. I accept its point that it doesn't manually monitor accounts – I think that's true for the majority of banks.

There were no signs of financial difficulty or use on any overdraft facility. There were no returned direct debits or missed payments.

It's clear from Mr T's own testimony that his issues were ongoing long before and possibly since he had an account with Monzo. This wasn't Mr T's only account so even if the bank had noticed anything and either had discussions with Mr T or taken action to limit use of his account that doesn't mean it would have stopped Mr T from finding ways to gamble.

I don't think it would be fair for Monzo to refund money used by Mr T for gambling purposes. Mr T only approached Monzo about his gambling issues after it had closed his account.

I think Monzo acted fairly and reasonably in the way it handled Mr T's account.

I note our investigator made Mr T aware of organisations he can contact to seek help and support.

My final decision

I don't uphold this complaint.

I make no award against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 November 2024.

John Quinlan
Ombudsman