

## **The complaint**

Mr P is unhappy with Monzo Bank Ltd. He said Monzo failed in its duty of care to protect him when his gambling got out of control.

Mr P would like Monzo to refund him his gambling losses.

## **What happened**

Mr P is unhappy with the level of service and care he received from Monzo. He feels Monzo are responsible for his losses. He opened an account in 2020. Mr P said he struggled with gambling addiction during that time and Monzo should have prevented him from gambling.

Monzo said Mr P never informed it of his gambling issues, or any other health or medical difficulties. It said it had no reason to believe he wasn't in control of his account. As Monzo didn't accept Mr P should get his money refunded he brought his complaint to this service.

Our investigator didn't uphold the complaint. He said Mr P accepted he hadn't made Monzo aware of any issues he had at any point. Our investigator noted online chats Mr P had with Monzo where he was discussing transactions and could easily have notified Monzo if he was in any difficulty. Our investigator referred to Monzo's terms and conditions which confirmed Mr P could block certain payments at any point if he wished to. He also noted Monzo provided links to webpages specifically dedicated to support and further information around gambling issues.

Mr P 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.

The complaint is that Mr P started his gambling activities with Monzo around July 2020. He started with small amounts but as access to further funding came about due to his studies the amounts gambled started to increase, along with the frequency of gambling.

Mr P won a series of bets and continued to raise his stakes higher.

Mr P feels Monzo didn't provide the sort of service you would expect, and he holds Monzo responsible for the losses he went on to incur as his gambling grew. He said if Monzo had correctly reviewed his account it could have prevented or reduced his losses. Mr P said if Monzo had contacted him about his gambling he would have stopped.

Mr P wants Monzo to reimburse his financial loss which totals £95,873.94 and he would like it to add 8% simple interest to the settlement. Mr P also wants £5,000 compensation for the distress and inconvenience caused to his health and wellbeing.

In 2023 Mr P's account was credited with in excess of £135,000 to hold money on behalf of his family. After this across a five month period Mr P said he made payments totalling just over £250,000 across two different accounts (one of those accounts is with another bank). Mr P said Monzo should have noted he was potentially vulnerable at this point. He said his use of gambling sites was at times outside his usual pattern and should have triggered an intervention.

Mr P does remember Monzo contacting him in March 2023 to let him know his account would be restricted in May 2023. But he doesn't believe Monzo explained to him the reasons.

Mr P said his financial position deteriorated to a point where he couldn't afford a flight home and had to stay at an airport until a friend was able to sell some of his possessions to generate enough funds for Mr P to buy a ticket home. Mr P was studying at the time and this delay meant he missed some exams which put him behind with his studies.

Mr P said Monzo owed him a duty of care. He said Financial Conduct Authority principles pointed out Monzo had to consider his interests and treat him fairly.

Monzo said it investigated the complaint and it had provided Mr P with the expected level of service.

The Wellbeing Team at Monzo said it carried out a thorough assessment of the account from its opening to its closure. It said Mr P never raised any issues he may have been facing or discussed his gambling transactions. Monzo in its final response said, *"There was no indication that they did not have an understanding of the risk of no returns when these transactions were made, and it is not appropriate for Monzo to actively block gambling transactions without speaking to the customer first."*

Monzo said the regulators don't set expectations for it to proactively reach out to discuss gambling transactions. It said if Mr P had indicated a need for support it would have escalated this to its Wellbeing Team.

It apologised that Mr P was unhappy with its service. But noted there was nothing in the chat history with Mr P to suggest any issues. There were no records of support calls or emails from Mr P so there was no opportunity for Monzo to intervene.

It confirmed the gambling block was a self service feature and was never turned on by Mr P.

Monzo said it made no mistakes. There were no indications Mr P was vulnerable or needed help.

Regarding the account closure it said this was carried out after a risk based review. It did attempt an intervention with Mr P, but he didn't respond. It said because of this Mr P was given notice to exit the account a little later.

Mr P had issues with gambling and addiction for a number of years. But its clear that he kept this to himself and didn't even open up to his own family.

There's no record of any contact with Monzo on any issue with his account that would trigger Monzo to think about intervening. Mr P never gave any indication he wasn't in control of his finances for Monzo to have triggered any processes. The account didn't run into any difficulties.

It's clear through the chat history Mr P was aware of and used functions to contact Monzo but never on any issues linked to health, medical issues, or concerns with gambling.

I accept that Monzo terms and conditions make it clear customers can act to block certain payments around spending or gambling. It also did provide links to help and support. Mr P chose not to use these options.

When Monzo did reach out to Mr P he didn't respond. After this point Monzo chose to close the account.

The Financial Conduct Authority has issued guidance around vulnerable customers. This includes confirming a need to treat them fairly. And it is possible to argue the addiction Mr P describes made him vulnerable. But there are no specific rules in place stating what a bank must do. And this includes if the bank realises the customer might have a gambling addiction or if the customer lets it know specifically. Generally, banks don't manually monitor accounts or have specific mechanisms to look for gambling activity beyond the details surrounding standardised Merchant Category Codes (MCCs). So, I accept a bank is only likely to become aware of a potential gambling problem if a customer lets it know, or if account activity sets off a flag for some other reason. But I've seen nothing to suggest that any of Mr P's payments to gambling merchants triggered Monzo's systems. And the account activity I've seen shows that generally Mr P maintained a healthy credit balance in his account.

Monzo is expected to process payments and withdrawals that customers authorise it to make, in accordance with the Payment Services Regulations and the terms and conditions of the account. And Mr P is free to spend his money as he sees fit. Overall, given the way Mr P was operating the account, I don't see any reason Monzo ought to have proactively identified that he might need additional support.

I think Monzo acted fairly and reasonably throughout. It would have offered help and support if at any point Mr P had contacted it to ask. But at no stage did it appear Mr P was vulnerable, so Monzo didn't intervene. It also followed its process in line with terms and conditions when it chose to close the account.

### **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 P to accept or reject my decision before 28 February 2025.

John Quinlan  
**Ombudsman**