

## **The complaint**

Mr M complains that despite having gambling block enabled on his account that Monzo Bank Ltd ("Monzo") allowed five gambling transactions to go through in one day resulting in him losing £2,100.

## **What happened**

Mr M has a gambling addiction and made Monzo aware of this. As well as its wellbeing team reaching out to him on multiple occasions, Monzo signposted Mr M to external agencies that could help and made Mr M aware of tools it had he could use such as applying an account limit, spending blocks, account blocks and its gambling block tool which Mr M took advantage of.

But in the early hours of 12 December 2024 Mr M was able to make 5 gambling transactions using faster payments and lost £2,100 despite having the gambling block enabled. A few hours after this at 8.49am Mr M contacted Monzo and asked why the transactions were allowed to leave his account and raised a complaint.

Monzo said as the merchant Mr M was gambling through didn't have a gambling merchant code there was no way it could know that Mr M was gambling and block the transactions. Monzo advised it could apply a manual direct merchant block for these types of merchants to avoid further gambling providing Mr M explicitly asks for this but as it hadn't made an error it didn't uphold Mr M's complaint.

Mr M was dissatisfied with this and so brought his complaint to this service.

Our investigator looked into Mr M's concerns and thought that Mr M was able to bypass the gambling block because the transactions were made by faster payments which aren't caught by gambling block and that Monzo's terms and conditions explained the gambling block had limitations and so it wasn't an error on Monzo's part that Mr M had made these transactions.

They also thought as Mr M had made similar transactions successfully before 12 December as well as having the gambling block disabled so that he could make gambling transactions, that Mr M was happy for some gambling transactions to go ahead but just not others and was aware that some transactions aren't caught by the gambling block.

Overall, they thought the care and support Monzo had offered Mr M was fair and didn't think Monzo should refund Mr M's gambling transactions as there had been no error on its part.

Mr M disagreed, he says that it was obvious from the transaction name it was a betting company and gambling and so it could have been flagged and stopped and that the number of transactions should've raised alarm bells. Mr M says he was never given information on what could bypass the gambling block and asked for an ombudsman's 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 might help if I explain my role is to look at problems that a consumer has experienced and see if the business has done anything wrong or treated the consumer unfairly. If it has, we seek to put the consumer back in the position they would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

Mr M is unhappy that he was able to make gambling transactions despite having gambling block enabled on his account. Mr M doesn't believe Monzo provided enough support and failed to protect him from his gambling when it didn't intervene.

I sympathise with Mr M and the gambling struggles that he has and I hope he is now in a better position and getting the right help and support for this. It might be helpful for me to say here that, as we are not the regulator, I cannot make a business change its systems or processes – such as what it must have in place to assist customers with their spending or what accounts should be monitored for. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said while I wouldn't tell Monzo what tools it needs to have in place to support a customer with a gambling addiction and nor would I expect it to monitor an individual account every day for gambling transactions – this isn't practical and ultimately, gambling isn't illegal and it is up to the customer whether they utilise the support available or continue to gamble. But I would expect a business to step in and offer appropriate support where I consider it should've reasonably become aware there might be a problem.

It is not in dispute that Mr M has a gambling problem and made Monzo aware of it. What is in dispute is whether Monzo did enough to support and protect Mr M on 12 December 2024 when he was able to successfully make five gambling transactions.

And after considering everything I'm in agreement with our investigator that the support Monzo provided was fair and in-line with what I'd expect. The fact Mr M was able to bypass its gambling block wasn't due to an error on Monzo's part and so it wouldn't be fair to penalise it for this.

Monzo has explained that its gambling block has limitations and doesn't work when there is no merchant code present – such as with faster payments – to identify the type of transaction. Merchant codes are applied by the merchant and not the business or bank. And in some cases gambling transactions can go through because the merchant doesn't categorise itself as gambling.

In Mr M's case he was able to make gambling transactions because it was done through faster payments so I can't say that Monzo is at fault here as nothing is foolproof and it simply wasn't able to catch these transactions due to a lack of a merchant code. And I don't think it would be reasonable to expect Monzo to monitor individually each of its customers' accounts for gambling activity and reach out and make contact – in Mr M's case – in a matter of hours after spotting what may or may not be gambling transactions.

Mr M says he was never made aware of the limitations of the gambling block tool. But I can see in his chat with Monzo on 2 October he was advised of this and whether this was the case or not I don't think it would have made a difference. Mr M's statements show that prior to this event he was able to make similar gambling transactions and so I think he was aware that he could bypass the gambling block if he wanted to and if this didn't work Mr M was able to both enable and disable the gambling block through Monzo's app - which I can see he did in the months leading up to the event in question.

On one occasion Mr M called Monzo and asked it unblock his account following a night of gambling and didn't challenge the gambling transactions he made – likely because he won. Indeed, I think it is noteworthy Mr M hasn't complained about the gambling transactions made the day before on 11 December as I can see from his statements he made more in winnings than losses from gambling.

So I don't think Monzo is at fault or treated Mr M unfairly when he was able to make gambling transactions on 12 December. Nothing is foolproof and the gambling block isn't a cure, it is there to act as a deterrent and to assist Mr M in managing his money by adding an extra step when he wishes to gamble and forcing him to think about what he is doing.

Furthermore, I think the support Monzo provided Mr M was fair and I can't see what much more it could do. Its wellbeing team had reached out to Mr M on multiple occasions and it had made Mr M aware of organisations that could help – Mr M being registered with one such organisation – as well as providing tools and advice on how it could help. And so it follows that I don't think Monzo needs to do anything further and I do not uphold this complaint.

### **My final decision**

For the reasons I've explained, I do not uphold Mr M's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 April 2025.

Caroline Davies  
**Ombudsman**