

The complaint

Mr M complains that Monzo Bank Ltd failed to assist him when he advised that he had a gambling problem, and in particular that it delayed in blocking a particular merchant.

What happened

Mr M has told us that he has a serious problem with a gambling addiction. He has had a gambling stop on his Monzo account for several years. On 20 August 2024 he contacted Monzo through its online chat as he'd been able to deposit a large sum for gambling to an online casino. Monzo advised that it would pass this to its specialist team.

On 29 August, an adviser from Monzo's specialist team contacted Mr M. They offered to record Mr M's more recent problems with gambling. In particular they explained that the gambling block worked by identifying merchant codes for gambling. And if the merchant in question used different codes, particularly from overseas, the gambling stop wouldn't block those payments. Also that if a payment was sent through the faster payments process, the gambling block wouldn't stop that. It did advise Mr M that it could block the particular merchant in question, though this might take two weeks, and if he needed immediate protection, he could use the spending block. It sent a link to that, although Mr M later said that the link didn't work.

Mr M contacted Monzo again on 2 September. He asked if Monzo could recall the payments. Monzo subsequently explained that it couldn't do so as Mr M had made the payments willingly. Mr M continued to explain about his gambling problems, And that he wanted Monzo to stop allowing him to make payments to that particular gambling website. And although Monzo advised him again how to put a spending block on his account, it wasn't until 9 September that it blocked that particular merchant.

Monzo recognised that there was a delay between Mr M initially contacting it about his gambling problem and a response from its specialist team. It paid £100 compensation.

On referral to the Financial Ombudsman Service, our Investigator thought that Monzo could have offered Mr M support sooner than it did. They recommended that Monzo pay an additional £100 compensation.

Mr M didn't agree. In particular he felt that Monzo should have placed a block on the merchant sooner than it did, saving him several hundred pounds. He advised that all payments to that merchant are now fully blocked.

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.

Mr M approached Monzo about his gambling with the online casino, as I've said, on 20 August 2024. At that stage he explained that he had a severe problem with gambling and that he had carried out transactions for around £1,500. I think Monzo should have at that stage recognised that Mr M needed immediate help. However he had to chase Monzo over the next few days. And it wasn't until 29 August that a specialist adviser explained why he had been able to carry out the transactions, and told him about the spending block that he could apply to his account.

I appreciate that Mr M feels that Monzo should have applied the block immediately. However it has to balance the need for helping a vulnerable customer against the fact that it has to be the customer who decides that they want to put a block on the account. As Monzo had told him about the actions he could take, without a response from him I don't think it could have applied an immediate block to the account. This is especially as the Monzo app allows the customer to apply a spending block themselves.

Mr M didn't immediately reply requesting a block. And although Monzo had sent him a link for this, he didn't explain until sometime later that the link hadn't worked. Unfortunately, this led to Mr M then depositing more money with the online casino.

In the chat on 4 September Mr M made it very clear that he wanted all payments to that merchant to be blocked. Monzo went on to explain again that Mr M could put a spending block on his accounts himself. I appreciate that he wanted Monzo to do this, and I do think that Monzo could have been more proactive rather than repeating information it had given to Mr M before.

Monzo didn't finally put a block on the account until 9 September. I understand that it is effective.

In the circumstances of this case, I think that a compensation payment would be the most appropriate remedy. I have noted that Monzo has already paid £100. I have considered whether it should refund any of the gambling transactions. I think that, up until the time Mr M approached Monzo in August 2024, it wouldn't have been possible to identify unusual activity on his account. The gambling transactions were fairly recent and, given the name of the payee, unlikely to have been identifiable as gambling.

In between 20 and 29 August Mr M didn't make any gambling payments. He did make some further payments on 4 September, but I don't think at that stage Monzo could be held responsible for not blocking those particular payments. Mr M made no further such payments before the block was put on. So I don't think that Monzo needs to refund any gambling payments. But I do agree with our Investigator that it should pay a further £100 compensation for distress and inconvenience.

Putting things right

Monzo should pay Mr M £100 compensation, on top of that already paid by it.

My final decision

I uphold the complaint and require Monzo Bank Ltd to provide the remedy 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 24 April 2025.

Ray Lawley
Ombudsman