

The complaint

Mr H is unhappy that Lendable Ltd, trading as Zable, allowed him to transfer money to gambling websites.

What happened

In March 2024, Mr H raised a complaint with Zable because he was unhappy that they had allowed him to transfer money from his Zable account to gambling websites. Mr H felt that Zable should have recognised that he was transferring money to gambling websites and prevented the transfers from completing.

Zable responded to Mr H and explained that they do prevent transfers to gambling websites, but that their identification of gambling websites is dependent on a code provided by the merchant, and that, in this instance, none of the sites to which Mr H had transferred money had identified themselves using a gambling merchant code. Zable further explained that, because of this, they had no way to know that the sites Mr H had transferred money to were gambling websites, and so they didn't feel they'd done anything wrong by allowing those transfers to complete. Mr H wasn't satisfied with Zable's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they accepted Zable's explanation that the transfers had been allowed to complete on the basis of the non-gambling merchant codes provided by the sites in question, and they didn't feel that Zable had acted unfairly by not-blocking the transfers to those sites. Mr H didn't accept the view of this complaint put forward by our investigator, so the matter 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.

Mr H has explained that he suffers with his mental health which can lead him to gamble irresponsibly. And Mr H feels that Zable failed in their duty to protect him against irresponsible gambling by preventing him from making transfers from his account to gambling companies.

I can appreciate Mr H's strength of feeling regarding this issue, and I note that Zable's own website explains that they do try to block any transactions which they think are being made to gambling companies.

When a transfer of funds is instructed to a company, that company provides information about the activities it engages in via a merchant code, and some of these merchant codes confirm that the company does engage in gambling activities. Merchants have a legal obligation to provide accurate merchant codes, which, for companies based in the UK (and therefore subject to UK law) usually means that attempted transfers to UK-based gambling companies will be recognised, because of the gambling merchant codes used and the

adherence of UK based companies to the requirement to provide accurate codes.

However, in this instance Mr H transferred money to companies based overseas. And while it should have been the case that these companies presented accurate merchant codes, which confirmed that they did engage in gambling activities, the fact of the matter is that, unfortunately, those companies didn't present accurate merchant codes. Instead, they presented merchant codes that didn't give Zable any indication that those companies were engaged in gambling activity.

Accordingly, I don't feel that Zable did act unfairly by allowing the transfers that Mr H instructed to those overseas-based companies to go ahead - because Zable had no way of knowing that those companies engaged in gambling activity because those companies didn't declare that they did so via the merchant codes that they presented to Zable.

That these gambling companies presented incorrect merchant codes to Zable is of course unfortunate, given that it resulted in Zable allowing the transfers to those companies to complete. But I don't feel that Zable can reasonably be considered to have acted unfairly by allowing those transfers to complete - as Mr H feels is the case - because Zable allowed the transfers to complete in good faith based on the non-gambling merchant codes presented to them by the merchants. And while I acknowledge Mr H's unhappiness that the transfers were allowed to complete, I feel that it's the gambling companies themselves that should be considered responsible for this, given that they presented incorrect merchant codes to Zable, rather than Zable themselves.

Mr H has also said that he asked Zable to prevent the transfers from completing on several occasions. From the online messaging transcripts provided to me, it seems that Mr H first mentioned his dissatisfaction at being able to make transfers to gambling sites on 23 March 2023. Mr H then undertook several further transfers to gambling sites over the next few days, with the last transaction on the account taking place on 28 March 2023. Zable then permanently restricted Mr H's account the following month.

Following Mr H raised his concerns about gambling transactions to them on 23 March 2023, Zable responded the following day and asked Mr H which transactions to which merchants he was referring to. However, Mr H didn't respond to Zable's question, and it wasn't until 3 April 2023 - by which time transactions on the account had stopped - that Mr H engaged with Zable on that online message thread again.

Mr H did begin a second online messaging thread with Zable, also on 23 March 2023, about payments he was attempting to make being declined. Mr H returned to this thread on 27 March 2023 - which was he was still transferring money from his Zable account to gambling sites - and asked for help stopping gambling on his card. But Zable didn't respond to this message for several days, on 2 April 2023.

In consideration of these points, it's clear that Mr H did reach out to Zable, via online messaging, on both 23 March and 27 March 2023, asking for help regarding the transactions to gambling companies that he was making. And it's also clear that Zable didn't respond to Mr H on those chats in a reasonable timeframe.

When Zable did respond to Mr H on the second messaging thread, they provided some general information about third-party support that Mr H could obtain regarding gambling issues, but didn't provide any specific information about how Zable could support Mr H themselves. However, as alluded to previously, information about the support that Zable do offer regarding gambling is available on Zable's website, and reads as follows:

"We automatically try to block any transactions which we think are gambling on your Zable

card, but unfortunately we may not cover all cases. You can control your spending in the Zable App at any time:

- *You can freeze your card on the Home Screen of the Zable App; or*
- *Block cash withdrawals by visiting the more tab and tapping 'Spend controls'."*

Additionally, if Mr H was experiencing issues communicating with Zable via their online messaging function, I would reasonably have expected him to have called Zable about the issue. And so, while it's disappointing that Zable didn't respond to Mr H via online messaging as quickly as they should, I don't feel that Mr H took the additional steps that I feel he could and reasonably should have taken, such as calling Zable or looking for information on Zable's website.

It also must be acknowledged that if Mr H had called Zable at a time that he was still making transfers to gambling sites, Zable wouldn't have been able to prevent Mr H from making those transfers, because of the incorrect merchant codes being presented by the overseas-based gambling companies.

Zable have confirmed that they are unable to place merchant specific blocks on an account at the request of an account holder and that the only action they could have taken in Mr H's circumstance would have been to fully restrict Mr H's account, which Zable later did, and which Mr H formally complained about after the event. And, given that Mr H did formally complain about Zable permanently restricting his account, I don't feel it can be reasonably argued that Mr H would have consented to Zable taking that action if he had spoken with them while he was still making transfers to the overseas-based gambling sites.

Finally, Mr H has said that Zable did stop transfers to the companies in question but later allowed them. Zable have no record of stopping transfers to the companies in question and, as explained, any block that Zable could have implemented would have been based on the merchant codes those companies presented. Given that it seems unlikely that those companies would have changed their merchant codes, so that transfers that Zable were blocking were now allowed to complete, it seems most likely that any unsuccessful transfers that took place were the result of some other issue, such as a merchant connectivity issue, and not something that Zable directly contributed to.

Ultimately, the unfortunate fact of the matter is that Zable couldn't provide the specific type of support that Mr H wanted them to provide, which was to prevent him from making transfers to the gambling companies in question - gambling companies that didn't use accurate merchant codes and so reasonably weren't recognised as gambling companies by Zable. And I'm satisfied that had those gambling companies presented accurate merchant codes, then they would have been recognised as gambling companies by Zable and Mr H's transfers to those companies would have been prevented.

As explained above, I don't feel that Zable can fairly or reasonably be held accountable for the fact that the gambling companies didn't use accurate merchant codes, and I feel that it's the gambling companies themselves that have acted unfairly here, and not Zable. And for these reasons I won't be upholding Mr H's complaint against Zable or instructing them to reimburse the transfers that Mr H made or to pay any form of compensation to Mr H for allowing those transfers to complete.

I realise this won't be the outcome that Mr H was wanting, especially given the clearly adverse effect that this matter has had on him. But I hope that Mr H 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 H to accept or reject my decision before 8 July 2025.

Paul Cooper
Ombudsman