

The complaint

Mr S is unhappy with Monzo Bank Ltd. Mr S said he added a gambling block to his account but was still able to make gambling transactions after the block was added.

What happened

Mr S placed a gambling block on his own account through the online tools available. He was able to do this without needing to speak to Monzo.

Mr S said he had spoken to Monzo around some minor issues with this account and this had prompted him to contact it again to get some help and set up safeguarding measures. As far as Mr S was concerned he had set up the arrangements with the banks help.

After this he said the block failed and it continually allowed him to make payments through another gateway. Mr S said he contacted the bank to explain that his behaviour was out of character. He mentioned his medical condition and said this can lead to these sorts of issues around being impulsive and not realising the consequences of his actions. He asked Monzo to dispute the transactions and get his money back.

Mr S said he accepted he was partly at fault, but Monzo should have reviewed his account, he said he had notified it of his issues, and it had put no safeguarding in place for him. He said it should have flagged his transactions as out of the ordinary. Mr S said he had spent over £5,000 and had no refunds. He said Monzo made matters worse when it later contacted him to say it was closing his account.

He said Monzo should acknowledge his additional needs weren't taken account of. Mr S said his unusual activity should have been flagged by Monzo. Mr S said despite needing help he was unmedicated at the time of the transactions.

Monzo apologised but said it provided Mr S with the expected level of service. It accepted the gambling block had limitations. It said it stops customers from using their cards online or in stores of merchants who are registered for gambling services. Monzo confirmed it can't guarantee that all merchants will be blocked. It confirmed it relies on companies correctly disclosing their merchant codes. If a company doesn't have a gambling merchant code it can't be picked up by the gambling block on the system.

Monzo said it had made no errors regarding the service provided.

Mr S remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. She said although it was clearly a difficult situation for Mr S Monzo hadn't made any errors. Our investigator noted that the gateway used didn't have a gambling merchant code so Monzo would not have known any of these transactions were for gambling purposes. She said it would have no reason to stop the transactions.

Our investigator said Monzo has to balance action and intervention with allowing smooth running of day to day accounts. She noted the transactions were of low value and the build up of transactions was gradual and over a period of time. Other payments were being made as usual so our investigator didn't think there was enough evidence to show Monzo should have been alerted to a specific problem. She said Monzo wasn't aware of Mr S's medical conditions and mental health concerns until Mr S notified it on 17 September 2024 so it couldn't retrospectively apply things it wasn't previously aware of. She didn't think Monzo had acted unfairly or unreasonably.

Mr S 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.

It's agreed that there was a gambling block placed on the account.

There's a difference of opinion between the parties about how the gambling block was placed. Monzo said Mr S did it entirely independently and Mr S said he did it by contacting Monzo and asking it for help and support with safeguarding measures. Either way, if discussion did take place, then the details about the block and how it works would have been discussed. Or if Mr S did set it up himself the online arrangements show an explanation of how the block applies in relation to card payments.

I understand Mr S's position. As far as he's concerned, he put the block on the account to help him avoid situations such as this.

Monzo said that the gambling block is a fantastic tool, but it does have limitations. It can't guarantee all merchants will be blocked as it depends on the merchant codes used. It said this was beyond its control as it relies on companies disclosing their merchant code correctly. Without this being right then Monzo can't identify them correctly. It said it didn't make any mistakes and there were no service issues.

Monzo continued - in this case the payments were processed by bank transfer through Open Banking. It said this was a payment method where the gambling blocks wouldn't work. It said banking transfers don't use merchant codes, so it had no way of automatically identifying if a payment was made to a gambling platform or a non-gambling entity.

The money was transferred to a company providing transfer services allowing clients to send funds directly to recipient's accounts. Monzo said it can't determine the exact nature or purpose of each transaction through the provider. It said it doesn't have visibility over how a third party payment processor appoints funds once a transaction completes. Monzo can't make judgement calls on the transaction purpose as the final recipient isn't disclosed to it. So, the transactions weren't *"classified as gambling transactions at the point of processing."*

Monzo said without prior knowledge of a gambling problem or safeguarding requests it would struggle to intervene with personal financial decisions. It said customers were invited to contact the bank if more help was needed for bank transfers. Monzo said there was no record in advance of any contact from Mr S. It said he only reached out in September 2024, and he independently applied the gambling block through the app. It said when he did reach out it did as Mr S requested and limited his ATM withdrawals. Importantly Monzo said *"we offered to block the payee to prevent further transactions; however, the customer did not provide authorisation for this."* Monzo also offered to restrict bank transfers, but again Mr S

declined. He said he had other support measures in place. Monzo said such decisions ultimately lay with the customer.

Monzo has shown that it didn't make any errors in its process or service handling. It has highlighted where the payments went via the online payment platform rather than a gambling merchant code. It would have been unaware of the transactions being for gambling.

I accept there's a balance between preventing transactions and allowing day to day banking to continue. But I don't think there were any flags or triggers that mean Monzo should have stepped in with Mr S's account. The statement activity shows Mr S didn't go overdrawn and payments leaving the account is a regular occurrence. I think Monzo acted reasonably here.

Prior to the September discussions Monzo didn't know of Mr S's individual health and medical concerns. So, it can't be expected to have done anything prior to that knowledge. After that point it did ask him about further support.

Based on the evidence I think Monzo has acted fairly and reasonably here.

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 S to accept or reject my decision before 10 July 2025.

John Quinlan
Ombudsman