

The complaint

Mr D complains that J.P. Morgan Europe Limited trading as Chase failed to notice that he was spending considerable sums on gambling. And that it refused to raise chargeback disputes in respect of these transactions.

What happened

Mr D says that between November 2022 and September 2024, he spent over £26,000 on gambling sites. He believes that he had put a gambling block on his account.

Mr D complained to Chase in November 2024. He says that it should have identified the substantial number of gambling transactions going through his account. He feels that if Chase had contacted him during this period of spending, he would have been able to break the gambling cycle and seek help. He also told Chase that he suspected that two of the gambling sites he had used were fraudulent. He felt that he had to do all his own research into these particular merchants.

Chase pointed out that none of the transactions Mr D had carried out had been identified as gambling and wouldn't have been stopped by the gambling block. In any event it said the block was removed by Mr D in November 2022 and wasn't added again until June 2024. When responding to Mr D, it explained to him that it was not permitted by Mastercard's rules to dispute gambling transactions unless the customer advises that they deposited funds to a gambling wallet/account and the funds didn't deposit in the gambling wallet/account. It also said that Chase wouldn't approach this case as fraud, as the transactions were authorised.

On review by our Investigator said Chase was right not to raise chargeback disputes. In respect of the gambling, she didn't think that Chase had been aware of this so it couldn't have prevented it.

Mr D didn't agree and felt that Chase should have identified unusual spending on his account and helped him as a vulnerable person. He also asked that we consider a previous decision by an Ombudsman at this service.

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.

First of all, in respect of the previous decision by this Service Mr D has drawn our attention to, I should explain that all decisions are decided on their own facts and their own merits. In any event it appears to me that the facts in that case are quite different from those here.

gambling activity

Banks must have systems in place to identify whether its customers problems managing their spending. It is however important to note that bank accounts are not manually

reviewed. So, in order for Chase to know that its customer might be having a problem it would need to be alerted to identify unusual spending on the account. This could be:

- The transactions themselves being identified as possibly fraudulent.
- The customer advising that they have gambling problems and this being noted on their record.
- The customer having financial problems e.g. if their account is frequently overdrawn or over the limit. Or they have applied for loans or credit from the bank.
- Unusual and/ or out of character account activity.

Chase has already advised that none of the transactions that Mr D has advised are gambling were flagged as possibly fraudulent by its system.

From both Chase's and Mr D's evidence, he didn't tell Chase he had gambling problems until November 2024. He first became a customer of Chase in August 2022. He placed the gambling block on his account up until November 2022 then removed it on the app. He put the block back on his account in June 2024. There was no interaction with any advisers at Chase. I should point out that a gambling block won't automatically block transfers from account to account.

The presence of gambling doesn't automatically mean that someone is vulnerable or compulsively spending. It could be an indication of vulnerability, but it wouldn't be suitable for Chase to assume that a customer needs additional support just because gambling transactions are being made. But he didn't tell Chase this until November 2024, so it couldn't act on it till then. I see that it has now made a record of it.

Mr D had seven current accounts during this period. They weren't all open the same time. In fact, five of them were opened and closed fairly quickly with no funds going through them. Mr D had two main accounts, the first one opened in August 2022 and closed in June 2023 and the second one opened in June 2023 which is still active.

There is no evidence of financial difficulties from the statements. Mr D's accounts were always in credit, and there's no evidence of substantial expenditure on loans. He didn't have any loans with Chase during this period

As regards activity on the account, I do note that from time to time Mr D moved substantial funds around to other accounts. For example, in November 2022, £13,500 came into the account with £13,750 spent. There was no identifiable gambling at that stage, and Mr D has provided us with lists of his spend on gambling on his Chase accounts, so I don't think he was spending on gambling on other accounts. Mr D regularly spent £4-£6,000 each month. And as far as I can see he first carried out some gambling from around February 2023.

I don't think that the regular activity on the two current accounts could reasonably have been identified as unusual. However then in March 2024 (£21,700 spent) and then in April 2024 (£12,300 spent), the amount Mr D was spending increased. The transactions on the account which look like gambling (or possibly gaming) amounted to around £4,100 in March, and £4,600 in April. And whilst it's arguable that Chase might have been alerted to look at Mr D's account and seen transactions which could be gambling, the spending returned to its normal pattern after that. So, I can't really say that the account activity was that unusual or that it occurred for a sufficient length of time. Also, even with the change in activity - the account wasn't showing signs of financial difficulty such as bounced direct debits or unarranged overdrafts. So it would have looked like it was still being managed well.

I also can't say that it's likely that this would have been the catalyst to persuade Mr D to give up gambling. I know that he put the block back onto his account in June 2024, although it wouldn't have been effective to block the transactions he was making. And apart from that all Chase could have done was to offer help or refer him to organisations that could help with gambling addiction. Mr D didn't contact Chase directly until November 2024 and he said he didn't wish to access the help that Chase offered, having made his own arrangements. I've no reason to think he'd have responded differently at any earlier stage.

chargebacks

Mr D believes that at least two of the merchants could have been fraudulent and he wanted to pursue chargebacks in respect of these. Chase has explained that the Mastercard rules don't allow for chargebacks unless the customer advises that they deposited funds to a gambling wallet/account and the funds didn't deposit in the gambling wallet/account.

As for checking up on the merchants in question I don't see that was Chase's function. I understand that it is gathering evidence related to this case to submit a report to Mastercard concerning the mis-categorisation of Merchant Category Codes (MCCs) used to complete transactions. This may have been used to bypass any gambling blocks present on the account.

overall

I understand that it was difficult for Mr D to admit that he has a gambling problem and hope he now has access to the right support. However, I don't think from my review of Chase's file and Mr D's bank statements that Chase could have been expected to identify Mr D's gambling problems before he contacted it in November 2024.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 August 2025.

Ray Lawley
Ombudsman