

The complaint

Mr Y complains that Monzo Bank Ltd (Monzo) haven't done enough to support him with his gambling problem.

He'd like a refund of the transactions he made in February 2025, along with compensation.

What happened

Mr Y holds a current account with Monzo Bank Ltd. In 2023 he told Monzo that he was having trouble with gambling. In January 2025, Mr Y used his account to gamble, and he complained to Monzo. This complaint has been considered under a different reference at this service, so I will not comment on the transactions that took place in January 2025 or Monzo's response to Mr Y's concerns.

In February 2025 he continued to use his account to gamble and deposited approximately £8000 to an online gambling website. Mr Y thinks Monzo should've done more to prevent this gambling because of his previous complaint. So, he complained again.

Monzo investigated Mr Y's complaint, but didn't think they'd done anything wrong. They said the transactions Mr Y made were faster payments and weren't to a gambling merchant – as such they wouldn't have been able to prevent them. However, they did acknowledge that they'd taken too long to respond to Mr Y's concerns and paid him £25 compensation.

Mr Y disagreed and brought his complaint to this service. One of our Investigators considered the matter. While the complaint was with us, Mr Y was able to make further gambling transactions in May 2025 which he was unhappy about. It was agreed that we could consider these as part of the complaint.

The Investigator decided that Monzo could've done more to support Mr Y. She acknowledged that Monzo had offered a single merchant block in May 2025 but thought that this should've been offered sooner. She still thought Mr Y would've found a different way to gamble, so didn't ask Monzo to refund the transactions made in February, or the months after. But she did recommend that Monzo pay £350 compensation to Mr Y for the distress, worry and upset caused. Monzo accepted this, but Mr Y didn't.

Mr Y said, in summary, that Monzo had failed to follow regulatory requirements, including Consumer Duty and their actions had caused him financial harm. Because an agreement couldn't be reached, the complaint has been passed to me to decide.

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.

As I've explained above, I am aware of Mr Y's other complaint with Monzo. This decision focuses solely on the transactions that took place after January 2025.

There's no dispute that Monzo were aware Mr Y was struggling with gambling. He'd told them this in August 2023 and again in January 2025. So, I need to decide if Monzo acted fairly and reasonably with this information and provided Mr Y with appropriate support.

The transactions Mr Y made in February 2025 and later in May 2025 were made via faster payment, to an open banking provider. He then deposited the funds to an online gambling website. I'm satisfied that Monzo's usual gambling block wouldn't have prevented these payments – so I don't think Monzo did anything wrong by allowing these payments to be made.

However, I do think Monzo could've done more to offer support and advice to Mr Y in February 2025, after he complained.

Unfortunately, it wasn't until May 2025, when Mr Y gambled again, that Monzo's specialist support team discussed his gambling with him. Monzo has explained that during the conversations it was agreed that they could apply a block to the open banking provider(s) Mr Y was using, to prevent him from making any future faster payments to them. Mr Y agreed to this, and the individual blocks were put in place.

It's clear that using faster payments via open banking was Mr Y's preferred method of depositing funds to the gambling merchant he was using, and so I think Monzo should've had a conversation with him sooner to discuss this. It also means the block to the individual merchant(s) could have been put in place sooner and used as a preventative measure.

I understand Mr Y would like a refund of all the gambling transactions he made in February 2025 and since. But I'm not going to ask Monzo to do this. I'm already aware that Mr Y used two different open banking providers to deposit funds with his preferred gambling website. And I think it's likely that he would have found an alternative payment method to continue gambling, even if Monzo had put the merchant(s) block in place.

I appreciate this isn't what Mr Y would like to hear, but I'm not persuaded the blocks Monzo put in place, would've stopped him from using his Monzo account to gamble, even if they had been put in place sooner.

Mr Y has referred to other banking providers and the support they've provided to him. But I can only consider the actions of Monzo, when deciding this complaint. It's also important to note that different business provide different levels of support, or tools to help prevent gambling.

Monzo has agreed to pay £350 compensation to Mr Y as recommended by the investigator, to recognise the distress and inconvenience caused. They agreed that they should've put the block in place earlier for Mr Y and offered him support sooner. I agree that this is reasonable compensation in the circumstances and do not require them to pay anything further.

Putting things right

Monzo Bank Ltd should pay £350 compensation to Mr Y for not stepping in sooner and providing support. This caused Mr Y distress, frustration and worry.

My final decision

For the reasons I have explained above, I uphold this complaint. Monzo Bank Ltd should pay Mr Y £350 compensation (less any compensation payment already made for this complaint).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 26 September 2025.

Rachel Killian
Ombudsman