DRN-5655499

The complaint

Mr K complains that Starling Bank Limited ("Starling") didn't raise chargebacks for him for transactions that took place on his account.

What happened

Mr K has said to us that he has a history of problem gambling. To protect himself from this, he placed a gambling block on his bank account with Starling and registered with GAMSTOP. However, in June and July 2024, Mr K had a relapse and gambled around £2,800 on unregulated gambling websites from his Starling account.

Mr K contacted Starling saying these transactions were only accepted because the merchant websites used an incorrect Merchant Category Code ("MCC"), which bypassed the gambling blocks he had in place. He asked Starling to process chargebacks for these transactions, but they said there were no chargeback rights for gambling transactions.

Mr K complained and said he was the victim of a scam and that the websites and their payment processors had misrepresented themselves because the transactions would have been blocked had they used the correct MCC's.

Starling didn't think they'd done anything wrong and so Mr K referred the matter to our service. One of our investigators looked into what happened but didn't recommend that Starling needed to do anything to put things right. He felt Starling were correct not to raise chargebacks as there was nothing within the card scheme operator's chargeback rules that permitted this, taking into account the circumstances of Mr K's claim.

Mr K didn't agree with our investigator and so his complaint has been passed to me to review.

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.

I'm aware I've summarised the events of this complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr K and Starling that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. I've concentrated on what I think are the key issues, which our powers allow me to do.

I note Mr K said at one point that he didn't receive any goods or services from the merchants/websites in question. But Mr K has also said that at the time he made the transactions, he was aware he was using a gambling website and the transactions were gambling ones. So, I'm satisfied he received the services he was paying for.

However, Mr K also said the only reason he was able to make these transactions was because the MCC's attached to them were listed as something other than gambling, which meant the blocks and other safeguarding measures he'd put in place didn't prevent them from being made.

Mr K feels that Starling should have raised chargebacks because the merchants and whoever was involved in processing their transactions used the wrong MCC's. The relevant card scheme operator here was Mastercard. Our service has directly contacted Mastercard about scenarios where merchants and/or their acquirers/payment processors have used incorrect MCC's to mask gambling transactions. Mastercard has directly confirmed to us that there are no chargeback rights for any sort of gambling transactions, such as the ones Mr K made, and there were no chargeback codes applicable where incorrect MCC's have been used. Mastercard also confirmed to us that, had a bank such as Starling submitted a chargeback request in circumstances such as Mr K's, this wouldn't have been successful had this been sent to them to decide.

I've also considered what Mr K has said about being the victim of a scam. However, I've mentioned above that Mr K did get the services he requested and authorised, which was that he transferred money to the websites in question to gamble. So, I don't think the rules around fraud chargebacks apply here.

I'm aware that Mr K has made successful chargeback claims with other banks. However, that was a decision made by those banks. That doesn't mean Starling were bound to do the same though. I've also noted that Mr K has referred to other decisions made by ombudsmen (one of which was mine), where the decisions have been upheld in favour of the consumers. However, the circumstances of each case are different and I'm considering the specific circumstances of Mr K's complaint and whether Starling acted fairly.

I of course appreciate the impact this matter has had on Mr K, particularly as he had taken several measures to try to protect himself from gambling. However, I can only assess whether I think Starling were wrong not to not raise chargebacks for him. And, bearing in mind what Mastercard has directly told us about this, I'm satisfied that Starling didn't act unfairly when they decided not to raise chargebacks on Mr K's behalf.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 28 August 2025.
Daniel Picken
Ombudsman