DRN-5697624

## The complaint

Mr Y complains that Monzo Bank Ltd (Monzo) haven't supported him, even though he made them aware of a gambling problem in 2023.

He'd like a refund of gambling transactions he made in January 2025 and compensation for the distress caused.

## What happened

Mr Y told Monzo in August 2023 that he had a gambling problem and was in financial difficulty. Monzo asked further questions about this and offered support from their wellbeing team. But Mr Y confirmed he was attending therapy for his gambling and there was no further discussion about this.

In January 2025 Mr Y contacted Monzo and complained about some transactions he'd made via faster payment. He said they were gambling transactions, and he thought Monzo should've done more to prevent these because of what he'd told them in August 2023.

Monzo acknowledged that they were aware Mr Y had a gambling problem, but they didn't think they'd done anything wrong by not preventing the payments in January 2025 to go through. They said that although they offer a gambling block, this will only stop transactions to merchants which use the gambling merchant code. Because Mr Y's transactions were made via faster payment to an open banking provider, they wouldn't have been recognised as gambling transactions. They also explained that they don't micro-manage accounts and as such they didn't think the activity on the account was that unusual that it would've meant they manually reviewed the account.

Mr Y disagreed. He said the account activity was unusual and he thinks this should've prompted Monzo to intervene. He brought his complaint to this Service.

One of our Investigators considered the matter, but he also didn't think Monzo had done anything wrong. He agreed that they were made aware in 2023 that Mr Y was suffering with a gambling addiction. But he was satisfied that the transactions made in January 2025 wouldn't have been caught by Monzo's gambling block, if it had been applied. He also didn't consider them to be that unusual that it would've triggered Monzo's fraud detection system, or that the activity would've prompted a manual review of the account. As such, he didn't think Monzo had done anything wrong.

Mr Y remained unhappy. He referred to other complaints with other banking providers and thought that Monzo should've done more to intervene with the payments. Because he didn't agree with the investigator's conclusion, 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.

*What happened in 2023*

Mr Y was contacted by Monzo via the chat function because he had promised to make a payment on 24 August 2023. During the chat Mr Y explained he was struggling financially, and he mentioned having problems with gambling.

Monzo asked Mr Y some questions about his financial situation and asked if he needed support with his gambling.

Mr Y provided further context about his financial situation and explained that he was seeing a therapist about his gambling. The chat continued mainly focussing on Mr Y's financial situation and whether Monzo could support him with emergency funds.

Having read through the chat, I'm satisfied Mr Y told Monzo about his gambling problem – but the focus of the conversation was around his financial situation and requiring emergency funds. Monzo asked Mr Y if he needed further support, but Mr Y explained he was attending therapy and did not engage further with Monzo about the support they could offer. In this situation, I think Monzo did all it reasonably could have done.

*The transactions in January 2025*

Mr Y's account wasn't used from 2023 until January 2025 when he made some transactions via faster payment to an open banking business and then deposited the money to a gambling website.

Mr Y said these payments were for gambling and Monzo should've done more, seen as they were aware of his problem and vulnerabilities. He also said a block should've been put on these payments to protect him.

Having looked at the previous chat history and then the transactions made in January 2025, I don't think Monzo would've been aware that these were to a gambling website. We don't expect businesses to manually review an individual's account, or to scrutinise every transaction made. The merchant Mr Y was depositing money with did not have a gambling merchant code – it was an open banking provider, and the payment was made via faster payment.

Monzo does offer a gambling block, but it does not stop payments that are made via faster payment, or to merchants that do not use the gambling merchant code. So, even if Monzo's gambling block had been applied to Mr Y's account, he still would've been able to make these transactions. And seen as Mr Y didn't engage further with the support offered by Monzo in August 2023, I don't think it's reasonable to expect them to have done anything further.

Secondly, I've considered whether the account activity was so unusual, that it would've prompted Monzo to review the account. I don't think it was. Whilst Monzo were aware Mr Y had problems with gambling, the transactions in question, weren't to a gambling merchant. Also, they didn't cause Mr Y to go overdrawn and did not flag as a security risk, amongst other things. So, there was no reason for Monzo to take a manual look at the account at that time.

I'm aware Mr Y has said another banking provider flagged similar payments to the same merchant as a security risk. But I can only consider the actions of Monzo. Businesses have different fraud detections systems, and these are always updating and changing, depending on the types of frauds and scams happening at the time. So, I don't think Monzo were at fault for not stopping these payments, even though another banking provider might've stopped something similar.

*Overall*

Mr Y has referred to the Consumer Duty regulations. I've taken these into account when considering his complaint, but I don't think Monzo has done anything wrong and so I won't be asking them to refund Mr Y the transactions he made in January 2025 or pay him compensation.

## My final decision

For the reasons I've explained above, I do not uphold 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**