

The complaint

Mr L complains that J.P. Morgan Europe Limited trading as Chase ('Chase') didn't do enough to stop gambling payments leaving his account.

What happened

The circumstances of this complaint are well known to both parties, so I will just outline key events here.

Mr L had a current account with Chase. He indicated that he had a gambling addiction and placed a gambling block on his Chase account to protect himself. However, Mr L was able to make payments, totalling around £1,750, to a website linked to gambling. Mr L complained to Chase about it allowing the transactions to happen. He said Chase should have had a more robust gambling block in place and the merchant should have been added to a blocked list.

Chase responded to Mr L's complaint and said the merchant code used by the merchant in question wasn't categorised as gambling, and this allowed the merchant to bypass the gambling block Mr L had in place. Chase said it had no control over the merchant codes registered by businesses. It also said that blocking this merchant directly was not a service it offered. So it was not able to guarantee that similar future transactions would be blocked.

Chase acknowledged an issue with the service it provided – Mr L was transferred to the wrong team and Chase also felt more support and relevant information could have been provided to him. So it apologised and offered £50 compensation.

Mr L remained unhappy and so brought his complaint to this Service. He said that other banks had successfully blocked this particular merchant. So he felt Chase's gambling block was not fit for purpose and it was unable to help him even when he asked for help. He said being able to gamble, in spite of blocks being in place, caused him emotional distress and set his recovery back. Mr L asked that Chase reimburse the money he lost, improve its gambling blocks and allow customers to report and block specific merchants.

Our Investigator didn't uphold the complaint. She felt Chase had provided information to show the merchant in question had classified themselves as a provider of digital goods and this meant the gambling block would not have worked. So she said Chase didn't make an error.

Mr L disagreed with what our Investigator said, so this came to me for a 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.

I first of all want to acknowledge to Mr L that I appreciate how open he's been with this Service about his gambling issues and about the significant impact this continues to have on him. It's clear that Mr L is focused on ensuring a similar situation does not arise in the future.

I can see that Chase's terms say that if a transaction is not identified as gambling, then it will not be able to block it. Its terms outline some of the types of transactions that won't be blocked, such as lottery tickets bought at supermarkets and cash withdrawals from casinos. The terms indicate that the block should work for things like betting shops, casinos and online gambling. But in order for a block to work, any provider of gambling services has to first of all be identifiable as such. And that is the issue here, that the business Mr L made payments to hadn't identified themselves as providing gambling services, and so Chase was not able to block the transactions.

To explain further, gambling blocks like those put in place by Chase work by identifying the merchant category code ("MCC") that has been applied to the merchant/retailer. And some merchants have multiple codes to account for the different types of products and services they offer. There is a specific MCC that gambling merchants (including those offering their services online) are supposed to use when processing card payments. But if a gambling merchant doesn't use the correct code – and I understand that this particular merchant is not UK based and so not subject to UK regulations – then the gambling block won't work.

This limitation is something that impacts all gambling blocks, across all the financial institutions that offer them, and isn't unique to Chase. The merchants who use non-gambling MCCs tend to do so precisely because it allows their customers to circumvent MCC based gambling blocks.

Chase provided this Service with information to show how the merchant in question had classified themselves as a provider of digital goods. This means a specific, non-gambling related MCC applied to them and the transaction would not have flagged as gambling. Chase was able to show that the merchant code for gambling was different and stated that this is the code it blocks.

What this means is that while I understand Mr L will have experienced a great deal of frustration when these transactions were able to be processed, I don't think Chase made any errors here when it did not block the various transactions made by Mr L to this particular website. So I won't be asking it to refund the money spent by Mr L on this occasion.

Mr L is, understandably, very eager for Chase to take steps to make their gambling blocks more robust. Specifically, he wants Chase to be able to block particular merchants, so that no transactions could be made to them regardless of the MCC code. Mr L said that other financial institutions offer this service and he's keen for Chase to follow suit.

Chase told us that while it is aware that other financial institutions offer this service, it is simply not a service it provides at this point in time. Chase said it has taken on board what has been said about blocking named merchants, can see how this would be beneficial and it is reviewing this feedback. But, as I said, it currently doesn't offer this service and we are unable to interfere with a commercial decision of this type.

I hope Mr L takes my next comment in the spirit in which it's intended – Chase has indicated that Mr L has the option of banking with a financial institution that offers this service. It's clear Mr L is taking steps to try and address his gambling issue and a move to a bank that offers a service that offers a greater level of support is something he may wish to consider.

I've also considered whether the activity on Mr L's account ought to have alerted Chase to the fact that Mr L was gambling and whether it ought to have intervened.

It's important to note that we don't expect banks to routinely monitor accounts to check for gambling or financial management concerns. However, if a bank has cause to review an account for another reason, we might expect it to notice if a consumer was struggling to control their spending.

I've looked at Mr L's statements from the time the relevant gambling transactions were made and I can't see that the activity on it would have given Chase cause to review his account and intervene. The relevant transactions were relatively low value and happened over a short period of time on an account that remained in credit and had regular payments coming into it. So, based on the evidence I've seen, I cannot see a reason why Chase would step in and offer support.

It's important to note that even if I thought Chase should have noticed Mr L's gambling – and I want to reiterate that I don't think the activity on his account meant it should have – the fact is that there was already a gambling block on his card and so nothing could have prevented these particular transactions from going through, as the business in question had listed itself as a provider of digital goods rather than a gambling website.

Chase has acknowledged that it should have provided more relevant information to Mr L about the external organisations he could have reached out to for support with his gambling issues. And I agree this should have happened. But I have to take into consideration that even if this information had been provided, this would have been after the event and so wouldn't have had an impact on the various gambling transactions that have already been processed. So I think the compensation already offered by Chase for this oversight is fair.

While I have a great deal of sympathy for Mr L's situation, and I understand my decision will disappoint him, I can't fairly conclude that Chase is at fault here. It is not responsible for the unscrupulous actions of gambling merchants who take deliberate steps to miscategorise their MCCs so that vulnerable individuals like Mr L continue to gamble.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 September 2025.

Martina Ryan
Ombudsman