

The complaint

Mrs D complains Monzo Bank Ltd should have stopped her from using her overdraft facility to gamble and transfer funds to other accounts.

What happened

Mrs D opened an account with Monzo in December 2021 with a £1,000 overdraft facility.

Mrs D made a number of transactions through the account which took it into an overdraft position of around £500 by early January 2022. Mrs D then proceeded to make multiple gambling transactions through the account until she asked Monzo to apply a gambling block in early March 2022. By March 2022 the overdrawn balance was around £1,000.

Mrs D complained to Monzo in October 2024. She said Monzo should have identified the gambling transactions and taken action to prevent her from making these transactions. Mrs D also said Monzo should have been concerned with transfers to other accounts from March 2022 onwards after the gambling block had been applied; as she said these were to facilitate gambling from an account in her name with another financial provider.

Monzo issued a final response letter in which it didn't uphold Mrs D's complaint. It said it hadn't identified any concerns in its handling of Mrs D's account or use of the overdraft facility. It said it had since completed an income and expenditure assessment with Mrs D and had agreed to forbearance action.

Unhappy with Monzo's response Mrs D referred her complaint to our service for review.

Our investigator reviewed the details of the complaint and didn't uphold it. She concluded Monzo hadn't acted unfairly when not intervening in the transactions Mrs D was making from her account. She therefore considered Monzo hadn't acted unreasonably by applying interest and charges to the overdraft balance.

Monzo didn't respond to our investigator's view; Mrs D replied and didn't accept it. In summary, she maintained her arguments that Monzo should have taken action to stop the transactions she was making through her account. Mrs D provided further evidence about her updated health and financial circumstances; and has set out that she wants Monzo to answer questions about its actions in allowing her to use the overdraft facility to gamble. Mrs D has said she wants Monzo to refund all interest and charges applied to the account since January 2022, as well as refund the losses she's incurred due to the gambling transactions, and for it to remove adverse information it's reported to her credit file.

Mrs D asked for an ombudsman's review, so 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.

The information in this case is well known to Mrs D and Monzo, and the details Mrs D has shared about her health and finances is sensitive, so I don't intend to repeat it in detail here. However, I would like to thank Mrs D for the information she's shared, I acknowledge this may not have been easy, but it does provide me with an understanding of her circumstances at the time of the events she complains of.

Taking the above into account I've focused my findings on what I consider to be the key points and relevant facts of the complaint. While my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties that I've carefully reviewed everything available to me. I don't mean to be discourteous to Mrs D or Monzo by taking this approach, but this does reflect the informal nature of our service.

Mrs D complains that Monzo shouldn't have allowed her to use her overdraft facility to make payments to online gambling companies. She's also said once a gambling block was applied to the account, Monzo shouldn't have allowed her to transfer funds to other accounts in her name with other financial providers; as it should reasonably have known this was to facilitate further gambling.

I've very carefully considered Mrs D's arguments as well as all of the information and evidence available to me. Having done so, I don't consider Monzo's actions in not preventing Mrs D from making transactions to online gambling companies, or sending payments to another provider, to have been unreasonable in the individual circumstances. I acknowledge this will be disappointing to Mrs D; I've set out my findings for this below.

Mrs D opened an account with Monzo in December 2021 and had a £1,000 overdraft facility applied to the account. By early March 2022 Mrs D's balance stood at around £1,000 overdrawn, and a large volume of transactions through her account had been to online gambling companies.

Mrs D had recently opened this account with Monzo before she started making the transactions to online gambling companies. As such, Monzo had no previous history of account behaviours or management to have considered against this use.

While this in itself doesn't remove the obligations on Monzo in terms of the types of checks and monitoring it would usually conduct on accounts, I consider it adds important context to the situation. Mrs D was also regularly transferring funds into her account, seemingly from an account in her name with another financial provider. So, Mrs D was regularly making payments into and out of the account, and I don't consider that behaviour ought reasonably to have caused Monzo concern.

I do acknowledge the volume of transactions Mrs D was making were high, with instances of multiple transactions to online gambling companies taking place on single days. However, there were also sizeable credits from online gambling companies which reduced the overdraft balance. And Mrs D successfully applied a gambling block to her account in early March 2022 which mitigated further gambling through this account.

So, taking into account the overall picture of the situation, I don't consider Monzo's actions to have been unreasonable before the gambling block was applied.

Mrs D has said that from early March 2022 when the gambling block was in place, that she went on to make transfers to an account in her name with another provider, in order to further facilitate gambling. While I acknowledge Mrs D's testimony about Monzo preventing these transfers from taking place, I'm not persuaded that it needed to – or ought reasonably

to have done so. I say this because while Monzo was aware of the gambling block in place on this account, and now had Mrs D's history and behaviours of the management of her account available to it, on balance I don't consider it ought reasonably to have been concerned with Mrs D transferring money to another of her accounts. I say this because these transfers could reasonably have been made for a number of purposes.

Mrs D also made sizeable payments into her Monzo account in May and June 2022, as well as February and March 2023, which put her balance into a credit position; albeit at either zero or a nominal pence position. However, these credits did result in her repaying the overdraft which would have been reported through Monzo's ongoing monitoring. While I accept these credit balances didn't remain in place for long, it would reasonably have shown on Monzo's monitoring and reporting that Mrs D wasn't solely sitting in an overdraft position.

Mrs D continued to use the account to transfer funds back and forth to an account in her name with another provider, as well as for other items such as purchases, and transfers to and from other individuals. However, by 2024 Mrs D was largely paying money into the account to cover the monthly interest and charges.

I do consider, given the obligations on Monzo, that it should have engaged with Mrs D given her persistent use of the facility. But as I've set out above, Mrs D's account was in a credit balance, albeit briefly, in 2022 and 2023. So, it would reasonably have taken this into account as part of its monitoring. And the engagement should have provided Mrs D with information about her overdraft use and the cost to her; but I'm not persuaded that it would have been fair for Monzo to have removed the facility in these initial stages.

Mrs D contacted Monzo in October 2024 where her financial situation was discussed and forbearance measures were put in place. I consider the timing of this contact and the actions that Monzo went on to take following the information it obtained was reasonable.

I say this because once Monzo reasonably became aware of Mrs D's situation in October 2024, it took forbearance measures by agreeing to stop all interest and charges for a specific period of time, after which it said it would review the situation further.

We contacted Monzo to get an up to date position of the situation. It has confirmed that it has entered into a payment plan with Mrs D for repayment of the outstanding debt; and that Mrs D is currently maintaining payments in line with this plan. During the plan all interest and charges are frozen, so all of Mrs D's payments go towards reducing the total outstanding balance. Monzo has said the plan is reported as an arrangement on Mrs D's credit file, which I consider reasonable given my findings above, and that this provides an accurate reflection of the status of the account.

I acknowledge my decision here will likely be disappointing for Mrs D. I am sorry to hear of the circumstances she's made us aware of which have, at least in part, led to her use of the overdraft facility and the financial situation she finds herself in. In no way is my decision here intended to downplay the circumstances Mrs D has made us aware of, both in terms of her health and finances. I acknowledge Mrs D's recent submissions which have been provided since her complaint has been awaiting an ombudsman's review; and I'm pleased to see it appears Mrs D's overall circumstances are improving. But my decision here ultimately must take into account whether Monzo's actions have been unfair or unreasonable. And for the reasons I've set out above, I can't fairly conclude that Monzo acted unreasonably in the individual circumstances of this case.

So, it therefore follows that I don't consider Monzo needs to take any further action in resolution of this complaint. However, I would remind Monzo of its obligations in treating Mrs D fairly and sympathetically in its dealings with her, especially given the knowledge it

has about her health and financial circumstances.

My final decision

For the reasons I've set out above I don't uphold Mrs D's complaint about Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 1 December 2025.

Richard Turner
Ombudsman