

The complaint

Mr W has complained about how Monzo Bank Ltd (Monzo) handled his chargeback claims.

What happened

Mr W made several deposits to an online gambling site called 'H' in April 2025 using his Monzo Flex credit card. He was later unable to withdraw his winnings back to his account, and as the matter remained unresolved with H, he contacted Monzo to raise chargeback claims for these transactions.

Monzo raised chargebacks for two of his transactions and these were refunded but the rest were declined as they were gambling transactions. Mr W was unhappy with Monzo's handling of the claims and subsequently was able to arrange a transfer of the remaining funds to a card from another bank.

Monzo considered Mr W's complaint and sent a final response letter on 6 May 2025 explaining that the chargeback claims hadn't been covered under the card issuer rules and they hadn't done anything wrong. As Mr W remained dissatisfied, he brought his complaint to this service to consider.

Our investigator reviewed the available evidence and concluded that while Monzo had refunded two chargeback claims in error, there wasn't a reasonable prospect of success for the remaining claims as they were tied to gambling transactions.

As Mr W remained dissatisfied, he asked for an ombudsman to issue a final decision on the matter.

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've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Monzo aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so, I note that because Mr W paid for this transaction using a Monzo credit card, both chargeback and a Consumer Credit Act 1974 Section 75 (S75) claim could possibly help him. So in deciding what is fair and reasonable I've focussed on this.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Monzo acted fairly.

These say the following about gambling transactions:

“For transactions in which value or assets are purchased for gambling, investment or similar purposes:

This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant.

For the avoidance of doubt, chargeback rights are not available for

- 1. refunds, withdrawals or transfer requests,*
- 2. terms and conditions or account access,*
- 3. winnings, gains or losses, or*
- 4. use or subsequent use”.*

This means there wasn't a chargeback right for withdrawal requests from H under Mastercard rules as they provided gambling services. While Monzo did raise and refund two in error, they were correct to decline the rest. So while Mr W benefitted from a refund for two transactions, these shouldn't have occurred.

I note that Mr W considers that because H isn't licenced in the UK his transactions shouldn't be treated as tied to gambling. I don't agree and can't say this would have a bearing on the fact that H was operating as a gambling site nonetheless and so Mr W's transactions were tied to this activity.

As Mastercard's rules are very clear in their limitations for gambling transactions and the fact chargebacks are not available for these withdrawals, I can't say Monzo did anything wrong in declining Mr W's chargeback claims as there was no reasonable prospect of success had they been taken further.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, Monzo would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and a part of that is there needs to be a valid debtor-creditor-supplier agreement in place. This means there needs to be a valid agreement between the 'debtor' who took out the finance and the supplier of goods or services in dispute.

That agreement is not present when an intermediary is involved in the payment flow, such as a gambling operator or an e-wallet service. In most gambling transactions, the credit payment funds a customer's betting account rather than purchasing a specific service or product from the operator at the point of payment. The operator may later use these funds for multiple bets or games, but that subsequent activity is distinct from the original card transaction.

Because the credit provider's payment may not go to the supplier of the gambling service, and no specific 'supply' is made at the time of payment, the required DCS agreement for S75 is usually not present. As a result this technical requirement for a valid S75 claim is likely not met.

There is also another technical requirement, that each claim must relate to a single item to which the supplier has attached a cash price of over £100 but not more than £30,000. Monzo has confirmed this means that these claims wouldn't have met this requirement in any event.

Even if these technical requirements had been met, it doesn't look like there would've been sufficient evidence to say H breached their contract to Mr W. I say this because the issue of withdrawal has occurred due to Monzo's Flex card having restrictions for gambling transactions and so it wasn't possible to withdraw funds from Mr W's account with H to that card.

With all of this in mind, while Monzo didn't consider a S75 claim here, it wouldn't have met the technical requirements in any event, and in addition there would've been insufficient evidence to show H breached their contract to Mr W regarding the withdrawal of funds. I also note that Mr W has said the funds have been withdrawn to another card since then so the matter has been addressed.

Monzo's handling of Mr W's claims

Mr W has also raised concerns about Monzo's handling of his chargeback claim and I will address these below:

- Mr W has said he was told to submit his chargeback claim as 'Goods or Service Not Provided' and two of his claims were refunded. While this is true, this was an error by Monzo – and as Mr W has therefore benefited from these refunds, I don't think any compensation is due as they shouldn't have been progressed anyway with regard to Mastercard's rules.
- Mr W has also commented on the fact he suffered from ADHD and that Monzo didn't make reasonable adjustments with this in mind. While I do appreciate his position and the chargeback process may have been more challenging as a result, I think it would've been appropriate for Mr W to have contacted Monzo with any issues he was experiencing and to explain any further support he felt he needed with his claims. I can't see this occurred here.

In summary, while I appreciate Mr W is dissatisfied by the overall administration of his claims, there wasn't a prospect of success here if they had been progressed further as Mastercard rules are clear about their exclusions . And while Monzo did allow two of these claims in error, they were correct in not progressing the rest based on these rules.

And likewise while S75 wasn't considered, the claims wouldn't have met the required technical requirements, and in addition the issues with withdrawal appear to be tied to restrictions on Monzo's Flex account. This was further confirmed by the fact that Mr W was able to then withdraw his funds to an account with another banking institution.

In summary, I can't agree that Monzo did anything wrong in the administration of these claims and so I won't be asking them to do anything more.

My final decision

Your text here

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 18 November 2025.

Viral Patel
Ombudsman