

The complaint

Miss W complains that Santander UK Plc (“Santander”) failed to raise chargebacks for her in relation to gambling transactions.

What happened

Miss W contacted Santander in 2024 asking them to process chargebacks for her for several transactions relating to an online gambling website. Miss W said the website in question was acting illegally as it was unregulated in the UK and that the transactions on her statements showed a different name to the one whose services she’d used. Miss W also said she had placed a gambling block and an international payments block on her account and the reason why the transactions went through was because the website was misrepresenting itself by using an incorrect Merchant Category Code (“MCC”).

Santander initially treated this as potential fraud, although they then declined to raise chargebacks on that basis because Miss W had confirmed she authorised the payments to the website. Santander then considered a potential chargeback under the code ‘goods not received’, but then told Miss W the time limits for raising such a chargeback had expired.

Miss W wasn’t happy and complained to Santander. They offered her £100 for opening several dispute cases, rather than managing her expectations that the chargebacks wouldn’t have succeeded with the details she’d given them. But Santander said they couldn’t assist Miss W further with a refund of the money she’d paid to the gambling website.

Miss W was unhappy with Santander’s response and brought her complaint to our service. One of our investigators considered the complaint but didn’t recommend that it should be upheld. In summary, he didn’t think it likely the chargebacks would ever have succeeded.

Miss W disagreed and so her complaint has been passed 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 want to acknowledge that I’ve summarised the events of this complaint. I don’t mean any discourtesy by this – it just reflects the informal nature of our service as a free alternative to the courts. I want to assure Miss W and Santander though that I’ve reviewed everything on file. If I don’t comment on something, it’s not because I haven’t considered it. It’s because I’ve concentrated on what I think are the key issues, which our powers allow me to do.

Miss W has confirmed that at the time she made the payments in question, she was aware she was using an online casino and the transactions she was making were gambling ones. I’m satisfied Miss W therefore received the services she was paying for, which in this instance were bets and linked gambling transactions. And, as such, a fraud chargeback wouldn’t have been successful.

However, Miss W has pointed out that the only reason she was able to do this was because the MCC attached to those transactions were listed as something other than gambling which meant the blocks she'd put in place didn't prevent these from being processed.

I've considered Miss W's comments to Santander that this essentially amounted to money laundering, or transaction laundering. Miss W's card that she used to make these transactions was a Mastercard one. There is a Mastercard chargeback rule relating to 'transaction laundering'. To understand the designed purpose of this rule, and whether it could be applied to claims such as the one Miss W attempted to make, we've recently contacted Mastercard to understand the intention behind this rule and the circumstances in which it can be relied on.

In its response to our service, a representative of Mastercard confirmed the rule wouldn't apply for the transactions Miss W had made. And they confirmed there are no chargeback rights for any sort of gambling transactions, where they have been made by someone knowing these were gambling transactions. Mastercard also told us the rule relating to transaction laundering wouldn't be applied in circumstances where an incorrect MCC had been used to circumvent a gambling block. And they further clarified that the onus sits with the merchant acquirer to ensure that merchants are using the correct codes to identify themselves but there are no chargeback rights in the situation Miss W finds herself in.

I've also considered Miss W's comments that she was unable to withdraw winnings from the website. However, Mastercard's rules don't permit chargebacks to be raised for someone trying to recoup winnings or withdrawals.

I do appreciate this has caused Miss W a lot of distress. She proactively added several safeguarding measures to try to protect her from foreseeable and genuine harm. Unfortunately, these sorts of protections can be easy to circumvent and that responsibility lies with the merchants in question rather than with the banks. Even though Santander didn't help matters by continuing to raise disputes when really there was no prospect of a successful chargeback, I'm satisfied that the Mastercard rules on which Miss W relied on weren't intended to be used in the manner she wanted to use them. So, I don't think Santander's actions could have led to a different outcome for her. And while Miss W says other banks have raised chargebacks successfully in similar situations, I can only focus on whether Santander made any errors here rather than commenting on decisions made by other banks.

So, given the above, I don't think Santander mis-handled the chargeback process to the extent that Miss W was denied an opportunity to reclaim the money in question.

I've considered Santander's actions in respect of the chargeback process. But I've also thought about whether Santander should have noticed that gambling transactions were being made and failed to offer more help and support than it did.

I should start by saying that banks don't routinely monitor individual transactions on accounts. In this case, there was no-one in Santander who was manually reviewing the information on Miss W's account. Generally, we would expect manual reviews to only take place where there is a specific risk identified that prompts a bank to think whether such a review is required.

Banks such as Santander tend to rely on algorithms to identify risk to an account and the account holder. Those algorithms are mainly designed to look for things like evidence of financial harm, such as direct debits going unpaid, customers going into unarranged overdrafts or exceeding agreed overdraft limits for long periods.

I've looked at Miss W's accounts statements before and after the gambling transactions were processed. I can see that the account was always in credit and there were no rejected payments. So, I don't think there was anything on the account that would have alerted Santander that they should manually review what was happening and potentially intervene in some way. Overall, I haven't seen sufficient evidence that Santander failed to intervene when they should have, to prevent the gambling transactions from going through.

I appreciate Miss W will find my decision very disappointing, but for the reasons I've set out above, I won't be upholding her complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 20 November 2025.

Daniel Picken
Ombudsman