

The complaint

Mr T complains that Monzo Bank Ltd (Monzo) didn't provide appropriate support or intervention when he was using his Monzo bank account to gamble.

What happened

Mr T has a current account with Monzo. In September 2024 he told Monzo that he was struggling with gambling and he needed support. Monzo provided details of their gambling block, and it was applied to Mr T's account.

Following this, Mr T continued to gamble, but to merchants that weren't categorised as gambling merchants. He complained to Monzo and said they should've done more to support him. He thinks they should've recognised that there was a large amount of gambling on his account and intervened. He argues that if Monzo had intervened he would've stopped gambling sooner.

Monzo responded to Mr T's complaint in July 2025. In summary they said they couldn't revisit some of the issues Mr T complained about in September 2024, because they'd already addressed these. But they did explain that there are limitations to their gambling block and if merchants do not categorise themselves using the correct merchant category code (MCC), then the block will not stop the payment. They also explained that if the transaction has been authorised by the consumer, then it's unlikely they would intervene.

Mr T remained unhappy and brought his complaint to this service. Before one of our Investigators could consider the matter, Monzo put forward an offer of £125 compensation. They thought they'd missed an opportunity to intervene and have a discussion with Mr T in March 2025. Mr T didn't accept this offer, so the investigator completed a full review of the complaint.

Their opinion was that Monzo had treated Mr T fairly. They didn't think Monzo could be held responsible for the merchant codes used by merchants and as such, didn't think they needed to stop the payments, or that the block wasn't working effectively. They also didn't think the spending was that unusual on the account that Monzo should've intervened, or that the transactions would've flagged on Monzo's systems. They also weren't convinced that an intervention in March 2025, would've made a difference – as such they didn't think Monzo needed to pay Mr T any compensation.

Mr T disagreed. He said that Monzo had failed to support him and he was a vulnerable consumer. He said they were aware he had issues with gambling and should've done more to stop the payments to gambling websites – even if they weren't categorised as 'gambling' merchants. He said in one month he spent about £36,000 and this should've flagged on their systems and triggered an intervention.

Because an agreement couldn't be reached, the complaint has been passed to me to consider.

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.

Having done so, I've reached the same conclusion as the investigator for broadly the same reasons.

I'd like to reassure both parties I've carefully read all the correspondence they've sent this Service. That being said, my decision won't address every point or comment raised. I mean no discourtesy by this, it simply reflects the fact our Service is an informal dispute resolution service, set up as a free alternative to the courts.

Before I outline my findings, I want to explain that this decision will focus on the complaint points that were addressed in the final response letter issued by Monzo on 16 July 2025.

The gambling block and its limitations

From what I can see Mr T was made aware of the gambling block in September 2024 and he applied it to his account. It's important to make clear there is no legal requirement for business to provide a gambling block, it's offered as additional support to customers who might be struggling with gambling or compulsive spending. And it is something that Monzo have decided to offer to provide further support to their customers.

The gambling block Mr T applied to his account works by identifying the gambling MCC on transactions and then blocking the payment. However, the block will only work properly when the merchant uses the correct MCC. MCCs are codes used by merchants to help banks and credit providers recognise what sort of products are being purchased. There are individual codes for lots of different types of things, for example travel, clothing, dining, and gambling all have their own individual unique codes.

Merchants are expected to apply the correct code to their product, which then adds a layer of verification and protection for all parties involved in the transaction. When credit providers or banks want to identify or block gambling transactions, they do so via the MCC and not the name of the company involved.

Monzo have provided evidence that shows the websites Mr T was using didn't identify themselves with the correct MCCs. So, the gambling block didn't work because the transactions had the wrong code attached to them and didn't present as gambling transactions. This is a known limitation with gambling blocks, and I've seen from the chat history between Monzo and Mr T that he was aware of this. Having looked through the transactions and statements, Mr T was also using faster payment services to deposit his funds with gambling websites, which bypasses the block. He told our Investigator that he was aware the block wouldn't work in all these instances.

I've looked at Monzo's website and the information they share about their gambling block and I'm satisfied they specify that some transactions may not be tagged correctly and therefore will not be blocked.

Overall, I'm satisfied that the reason the block didn't work was because the gambling websites were using the wrong MCCs and not because of a mistake on the part of Monzo. And I'm satisfied that Mr T was aware when adding the block that it wasn't guaranteed to work on all transactions. So, I can't uphold his complaint on this point because I can't find a bank error.

The spending on Mr T's account and further support

I think it would be useful to clarify that bank accounts aren't actively monitored by members of staff. So, I don't think people were accessing the information on Mr T's account in the way he thinks they were. Manual reviews, where a staff member actively reads account statements, only happen when there is a specific risk identified that prompts the business to think such a review is necessary. Or where a consumer asks for a review directly or has an agreement in place with the business that such a review will take place.

I note that from the information Monzo has provided that a 'speedy spends short term flag' was raised on Mr T's account in March and May 2025. This was triggered because there were high amounts of money entering and leaving the account, multiple times a day. I've looked at Mr T's statements, and I can see why this flag might've been triggered during that time. But because Mr T was fully authorising all the transactions (using biometrics) there was nothing to indicate there might be a fraud risk. So, even if Monzo had called Mr T about these payments, I think it's likely he would've confirmed it was him making the payments and as a result, no further action would've been taken.

Monzo have said that because a vulnerability and gambling tag was applied to Mr T's account, they normally arrange follow up conversations with their vulnerability team every six – 12 months. They've acknowledged this didn't happen and offered £125 compensation for the missed opportunity. I've thought a lot about whether I think this would've made a difference to Mr T's circumstances and unfortunately, I'm of the same opinion as the Investigator. I do not think it would've stopped Mr T in his tracks or prevented him from further gambling.

Mr T has been very open and honest with this service and Monzo about his problem and the support he is already getting. He has told us that he uses Gam Stop and I can see from the information provided by Monzo that he is aware of other 'spending blocks' that he can apply to his account. Monzo has provided a list of merchants that Mr T has applied the spending block to and when, including when he has also disabled the block. So, I'm satisfied he had a clear understanding of how to use the block and what it does. However, even with all these interventions in place, Mr T continued to gamble on the account.

Monzo has explained that the check in would've focussed on Mr T's current situation and it's likely they would've discussed the blocks available and signposted him to charities etc. Given that Mr T already had an awareness of this and was being supported by Gam Stop, I think it's more likely than not that even if the check in had taken place, he would've continued gambling using his Monzo account or he would've found alternative methods to gamble.

I appreciate Mr T feels very strongly that Monzo failed to offer him genuine support during this time and that it should have done more. And whilst I agree there might've been a missed opportunity to engage further with Mr T – I'm not convinced it would've made a difference to his circumstances at the time.

Compensation

For the reasons I've explained above, I do not think Monzo needs to do anything further – including refunding Mr T for the gambling transactions he is requesting or pay compensation for the distress and inconvenience he says has been caused. I'm aware Monzo has already made an offer to pay £125 to settle the complaint. Mr T should contact Monzo directly if he now wishes to accept this.

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 T to accept or reject my decision before 18 February 2026.

Rachel Killian
Ombudsman