

The complaint

Mr B complains that Monzo Bank Ltd failed to pursue a chargeback and didn't provide proper support.

What happened

In May 2025 Mr B deposited money with an online gambling company totalling in excess of £1,600. He had previously told Monzo he had a gambling addiction and it had applied blocks to gambling sites on his account. Mr B contacted Monzo on 28 May and explained that he had suffered a relapse. He asked it to raise a chargeback. Monzo explained he had to wait seven days and then told him it didn't have chargeback rights as the service had been rendered by the gambling company.

It also explained that the company had not used a Merchant Category Code (MCC) which would have allowed the transaction to have been identified as gambling. It had informed Mastercard of this and had applied a manual block on future transactions but it couldn't reverse the earlier payments.

Mr B complained and said he had trusted Monzo to support and protect him since he had let it know of his gambling addiction. It had let suspicious transactions in a foreign currency go through without checking. He noted Monzo had apologised in 2023 for not actioning his initial request for a gambling block and had paid him £10 compensation.

Monzo rejected Mr B's complaint and so he brought the matter to this service. It was considered by one of our investigators who didn't recommend it be upheld. During our enquiries Monzo offered Mr B a goodwill payment of £75 for the delay of some six weeks in dealing with his request in 2023.

Mr B didn't agree with our investigator's view and asked that his complaint be referred to an ombudsman. He felt the main issue was the lack of support by Monzo rather than the chargeback. He said Monzo had allowed payments to go out to an unregulated gambling company which he felt didn't comply with FCA guidance on treating vulnerable customers. He also said that this service had upheld complaints by people who had lost sums gambling which he pointed out was a disability. He also raised the issue of subsequent loans granted by Monzo which carried a high interest rate.

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 have every sympathy with Mr B, but I do not consider I can uphold his complaint. I will explain why.

There are two main issues, the chargeback and the level of support offered by Monzo. I understand the latter is of more concern to Mr B, but I will address the chargeback first.

Chargeback is a voluntary scheme run by the card scheme operator (here it's Mastercard) to process settlement disputes between the card issuer (such as Monzo) – on behalf of the cardholder (Mr B) – and the merchant (here it's the gambling company). It is not a legal right that the cardholder has.

Mastercard sets the chargeback rules and time limits for transactions made using the Mastercard card scheme. And it is Mastercard that decides whether a chargeback is successful – the card issuer simply makes a request on the cardholder's behalf. If the card issuer knows it is out of time, or is unlikely to succeed, I wouldn't necessarily expect it to raise a chargeback.

Mastercard's rules do not allow chargebacks in relation to gambling where the dispute is about the ability or otherwise to withdraw funds. It would only be necessary for the merchants to show that they made Mr B's funds available to gamble with (something which I do not believe is in dispute). So, I do not consider the chargeback route was one which would have recovered Mr B's money.

Turning the issue of support I can see that Mr B told Monzo about his addiction in 2023 and it took some six weeks to refer him to its welfare team. However, it did do so and I cannot see that the delay would have had any impact on Mr B's transaction in 2025. It paid him £10, but during the course of this complaint it reviewed matters and concluded that the £10 payment was insufficient and so offered an additional £75. I think that is fair for the delay back in 2023.

In 2023 it put a gambling block in place. This is explained on its current website as follows:

"Every time you spend on your Monzo card, the transaction is tagged with information about what you're spending money on. This is how we build tools like spending categories for helping you budget. Every time you spend money with a gambling operator, the transaction is tagged with a gambling merchant category code (MCC). When you turn the gambling block on, we decline any gambling transactions before they go through."

"Unfortunately, sometimes transactions aren't tagged with the correct information and if this happens you'll still be charged. If you let us know, we'll add the merchant to our gambling block so it doesn't happen again."

Monzo doesn't guarantee that every gambling transaction will be caught and it explains what happens with gambling transactions which are not tagged. This is what happened to Mr B. Unwittingly, he used an unregulated site and so the payments evaded the block. As soon as it was made aware Monzo applied a manual block for Mr B. That was a fair response.

When Mr B contacted the bank in 2023 in addition to applying the block it offered advice and suggested support organisations which may be of help to him. I consider that to have been a reasonable response. I also have considered if Monzo should have spotted the two transactions as gambling ones. There were only two payments and I can see nothing which would give Monzo cause for concern at the point they were made. This is not a case of numerous payments being made over a period of time which the bank didn't spot. In the context of the activities in Mr B's account I cannot say there would have been grounds to identify these as gambling transactions. The bank cannot guarantee it will identify all transactions that are of concern. It is unfortunate, but I cannot safely conclude that the bank was wrong not to identify these transactions as risky.

Nor do I consider it has failed to treat Mr B as vulnerable and someone with a disability. It has recorded him as such and has applied a block. It has also put in place a manual block for the disputed payments for the company and will do so for any other gambling company it

is made aware of. It also took up the incorrect MCU with Mastercard.

It is regrettable that the two transactions went through and I can sympathise with Mr B, but I do not consider Monzo did anything materially wrong. Mr B has more recently raised concerns about the subsequent loans granted by Monzo, but these are not matters which I can consider in this decision as they have not been considered by Monzo yet.

Putting things right

Monzo has offered Mr B £75.

My final decision

I do not consider Monzo Bank Ltd need take any further action and I leave it to Mr B to decide if he wishes to accept the payment of £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 October 2025.

Ivor Graham
Ombudsman