

The complaint

Mr G complains that despite having a gambling block enabled on his account with Monzo Bank Ltd he was still able to continue to gamble. He said he set up a gambling block on his account a long time ago, but he recently noticed certain apps were changing their payment details to bypass the block. He said they are listed as Arcade games, rather than gambling apps. Mr G said he contacted Monzo to let it know, and asked it to intervene to stop the payments from going through, but Monzo didn't offer any effective solutions, leaving him vulnerable and undermining his efforts to control his gambling.

What happened

Mr G has a gambling block on his Monzo account. That is something Mr G was able to put on his account himself. I can see from the contact history that Mr G, through the online chat functionality, requested the gambling block be removed in April 2023, which was actioned for him. It isn't clear when the gambling block was re-added to the account but neither party has disputed that it was back in place at the time in question.

In June 2025 Mr G contacted Monzo to say the gambling block hadn't stopped him from making some transactions on his account. He said he has had a gambling problem for a long time and has gambling blocked on his account. He said he knew it was his fault, but he'd been able to gamble without the block stopping the transactions. He said he'd been using a scam app and he needed it to be blocked from him.

There was some back and forth between the parties, with Monzo signposting Mr G to external support and explaining how its gambling block and spending blocks work and how Mr G could set up the spending block himself to stop future transactions with the same merchants.

On 21 June 2025 Mr G asked Monzo to set up a spending block on his account.

In its final response letter answering the complaint, Monzo said that as the merchants didn't have a gambling Merchant Category Code (MCC) there was no way it could know that Mr G was gambling and block the transactions. It said the merchants in question were registered as amusement arcade services, so wouldn't be picked up by the gambling block. Monzo explained it could manually add new merchants to the gambling block, however having looked at the merchants Mr G had used those couldn't be added to the gambling block as it was only able to add merchants that meet the legal definition of regulated gambling. Instead, it said it had applied a manual block on Mr G's account for the named merchants and said if Mr G wanted any others added then he should let Monzo know, although it said if the merchant tries to take a payment using a different name or other details the payment may still go through. But overall, Monzo said that because it hadn't made an error it didn't uphold Mr G's complaint.

When the complaint was referred to us, Monzo accepted it breached its service level agreement in setting up the spending block that Mr G had requested on 21 June which, it said, allowed him to gamble further, as that wasn't put in place until 5 July. It offered £100 compensation for the stress this caused Mr G, albeit it said it had told Mr G how he could set

up the spending block himself so he didn't need to wait for Monzo to do it. Mr G didn't accept that offer.

Our Investigator looked into Mr G's concerns and didn't uphold the complaint. He said Monzo had explained some transactions would go through as they didn't have the MCC associated with gambling sites, and that it had told Mr G how he could block individual companies using the app. He said the more recent transactions which had gone through were because the company had changed the merchant code so it bypassed the block, and Monzo couldn't control that. He said Monzo had reviewed Mr G's request to add companies to the gambling block but it couldn't do that because they didn't meet the legal definition of a regulated gambling company. He said Monzo's offer of £100 for the delay in setting up a spending block was fair as although there was a delay, Monzo had told Mr G how he could set this up himself.

Mr G disagreed. As an agreement couldn't be reached the case 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.

Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

Mr G is unhappy that he was able to make gambling transactions despite having a gambling block on his account. Mr G doesn't believe Monzo provided enough support and failed to take action when he notified it of the transactions still going through. He also feels he's been given conflicting information.

I sympathise with Mr G and the gambling struggles that he has and I hope he is now in a better position and getting the right help and support for this. It might be helpful for me to say here that, as we are not the regulator, I cannot make a business change its systems or processes – such as what it must have in place to assist customers with their spending or what accounts should be monitored for. We offer an informal dispute resolution service and we have no regulatory role.

In terms of the gambling block that Mr G had set up on his account, it is the case that there are practical limitations to how effective a gambling block can be.

There are a number of reasons why a gambling payment may still be made, even when a gambling block is in place. One such reason, which seems to be the case here, is when a business chooses to use an MCC that doesn't accurately reflect the type of business they carry out. Under UK law, gambling companies are required to use the correct MCC, so that any payments made to them are identified as being for gambling purposes. This ensures that gambling blocks work, but this law does not apply to overseas companies.

In this case, it seems the companies that Mr G made payments to choose to use an MCC not associated with gambling, instead they use non-gambling related codes such as ones for gaming. This meant that when Mr G made the payments to the companies, Monzo's systems wouldn't have been able to detect that the payments were in fact gambling related and therefore a payment that should be blocked.

The type of MCC used by the companies is something that is entirely outside of Monzo's control and so, I can't reasonably say that Monzo has acted unfairly or unreasonably by allowing the payments to proceed, despite the gambling block being in place on Mr G's account.

Mr G says that Monzo should go further with its support. However, whilst that may be desirable, at the same time, given how many transactions a financial business like Monzo processes, I don't think it's necessarily reasonable or proportionate to expect Monzo to review all of the merchants that its customers pay money to (or may potentially pay money to), to check that the business activities of the merchant align with the MCCs they use. Monzo looked at whether it could add the companies to its gambling block irrespective of which MCC they used, but it said it was unable to do so because they didn't meet the legal definition of a regulated gambling company.

Having considered all the contact between Mr G and Monzo I'm satisfied Monzo explained all this to Mr G, including that the gambling block wouldn't work if the company used an MCC that related to non-gambling transactions.

Once Monzo had established it couldn't add the companies to the gambling block, it told Mr G how he could block individual companies himself via the Spending block. I understand Mr G wanted Monzo to do it for him and there was a delay in that getting put in place, but Mr G could have blocked the individual companies via the app whilst he waited to hear back from Monzo. Monzo apologised for that delay and offered £100 compensation for it. And I've looked at Mr G's bank statement for the period in question (from 21 June until 5 July 2025) and from that I can only see one transaction was carried out with one of the companies in question and that was for £15 on 4 July 2025 to the company with the initial C. As the £100 already offered by Monzo more than covers that £15 transaction, I don't order Monzo to do anything more to put right what happened due to that delay.

Whilst Mr G has said he's still been able to transact with the companies in question, Monzo has provided evidence that the individual company spending blocks it put in place on 5 July 2025 were successful as that evidence shows the last transaction with company C was on 4 July (as I referenced above), the last transaction with company BC was on 4 June and the last transaction with company WS was on 5 June. I understand Mr G has been able to spend money with other companies, but those don't come through under the names Mr G has provided (companies BF and BB). If Mr G would like those companies to be blocked he needs to provide a definitive list of the various names used by the companies in question so a spending block can be applied to each. Alternatively, Mr G can do that himself via his app. Monzo set out the steps Mr G should follow to do this in a message on 21 June 2025. It said the setting needed to be turned on in Monzo labs (and it explained how to do that), and once it was turned on Mr G simply had to tap on any card transaction he'd made to the merchant he wanted to block, and then select 'block spending'.

On 5 July Monzo told Mr G that it had put a spending block on companies C, BC and WS. It said if the companies tried to take payment using a different name or other details, the payment might still go through. Mr G has acknowledged that the issue is the companies keep changing the payment details to bypass user controls, and that isn't something I can hold Monzo liable for. As I've said, given how many transactions Monzo processes, it simply isn't reasonable or proportionate to expect it to review all the companies people pay money to, and see whether they had changed their details to bypass the blocks.

Having considered everything, I don't think Monzo is at fault or treated Mr G unfairly, other than in the delay between 21 June and 5 July which Monzo has already offered £100 compensation for. Nothing is foolproof and whilst the gambling block is there to act as a deterrent and to assist Mr G in managing his money by adding an extra step when he wishes

to gamble, it is out of Monzo's control if companies use an MCC not associated with gambling or change their details to bypass the spending block.

I think the support Monzo provided Mr G was fair and I can't see what more it could reasonably be expected to do. Its wellbeing team had reached out to Mr G and it had made Mr G aware of organisations that could help as well as providing tools and advice on how it could help. And so it follows that I don't think Monzo needs to do anything further.

My final decision

For the reasons I've explained, I uphold Mr G's complaint against Monzo Bank Ltd in respect of the delay in putting the spending block in place.

Monzo Bank Ltd has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that Monzo Bank Ltd should pay £100 compensation to Mr G.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 December 2025.

Julia Meadows

Ombudsman