

The complaint

Mr C complains that Monzo Bank Ltd failed to recover money he had paid to gambling sites and failed to protect him from gambling harm.

What happened

Mr C has told us he is addicted to gambling and in April 2023 he arranged to be excluded from access to gambling sites and businesses. However, he was still able to access offshore gambling sites. In the first half of 2025 Mr C lost a significant sum gambling and took out loans of some £18,000 to cover his losses. He managed to recover some £13,000 from the payment processors for the offshore site and used this to repay some of his borrowing.

On 15 June 2025 he contacted Monzo and asked that it recover the money he had gambled. It replied to him the following day to explain that due to the Mastercard rules it was unable to raise chargebacks on his claims. It said it may be able to ask Mastercard to carry out an investigation into the gambling site. It also passed the matter to its Wellbeing Team which contacted Mr C on 17 June offering support and invited him to apply a gambling block. It said Mr C did not respond to this offer and it tried to engage with him again.

It also says that it didn't have grounds to intervene in Mr C's handling of his account. Mr C complained, but this was rejected by Monzo. He then brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. She said that the rule for chargeback meant that Monzo was unable to recover Mr C's money using this route. She also didn't think Monzo had failed in allowing Mr C to make the gambling transactions.

Mr C didn't agree and asked that the complaint be considered by an ombudsman. He said that the bank had a responsibility to assist him as a vulnerable customer and it should have identified his gambling from his account activity. He had asked to be excluded from access to gambling sites and had asked the offshore gambling site to place a stop on his gambling activity. He had also taken out loans which Monzo should have spotted.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any courtesy by this – it just reflects the informal nature of our service. I also want to assure Mr C 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. Our powers allow me to do this.

I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

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

Chargeback

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 C) – and the merchant (here it's the online gambling site). 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.

In this case there is no code which allows a chargeback to be made for gambling transactions. This is a matter for Mastercard and not for Monzo and so I cannot say it did anything wrong in not pursuing a chargeback. I have noted that Mr C sought to have the offshore site stop him from gambling, but it failed to do so. That is regrettable, but it does not allow Monzo to pursue a chargeback via Mastercard.

Should Monzo have stopped the gambling transactions?

From July 2023, the Consumer Duty requires firms to consider customers' vulnerabilities. Banks need to 'monitor consumer outcomes' and use insights to take action to prevent foreseeable harm.

To that end banks need to ensure they monitor accounts for suspicious activity, but customers bank accounts and transactions are not usually routinely monitored or examined. There would usually need to be a reason for a business to examine transactions, this could be due to going overdrawn, struggling to pay regular mandates, customer contact or suspecting fraud on the account. Having examined his account, I can't see evidence of Mr C struggling to fund the gambling.

There is no evidence that Monzo was made aware of Mr C's self-exclusion from UK regulated gambling sites, nor that he had asked the offshore site to stop taking bets from him. All it had to go on was the activity in his account. This did not fall into overdraft and I cannot say that the transactions over a period of two months would be sufficient to alert Monzo to Mr C's addiction. The account does not indicate any financial distress and I cannot say that the payments indicate any fraudulent activity. The only transactions which might have alerted the bank were the 15 payments coming into the account on 17 June which were the refunds from the offshore site. But this was after Mr C had alerted the bank to the matter.

I note that Mr C borrowed money from other institutions and deposited the money in his Monzo account, but I cannot see clear indicators which would have reasonably caused Monzo to contact him. I therefore think it unlikely Monzo would have needed to examine his account or contact him during the period in question because of this reason. Secondly, the payments he made are not in dispute in terms of their authorisation. Mr C appears to have

used the correct prescribed processes to authorise these payments and I therefore think it is unlikely Monzo would have had cause to question or delay the payments.

When Mr C told Monzo of his problem it acted without delay and offered to place a block on his account, but it says he did not respond to this offer.

If Monzo had picked up on Mr C's gambling transactions it most likely would have asked if these were genuine. It doesn't necessarily follow that this would have resulted in them being stopped. I think Mr C would have had to let Monzo know about his addiction in order for the bank to have taken the appropriate action. So even if Monzo had acted before Mr C contacted it I cannot say that he would have been able to recover his money or stopped any of the transactions.

More recently Mr C has told us he suffered a relapse and made more gambling transactions from his Monzo account. These transactions are not part of the complaint Mr C made to Monzo and then brought to this service and so they fall outside my remit. If Mr C wishes to complain about these he should first take that to Monzo.

In conclusion, I appreciate the difficulties Mr C has faced the impact on his health. He has my sympathies, but I cannot say that Monzo did anything materially wrong.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 December 2025.

Ivor Graham
Ombudsman