

### **The complaint**

Mr B has complained about how Starling Bank Limited (Starling) handled his complaint regarding his gambling transactions

### **What happened**

Mr B made several gambling transactions during 2023 to 2024 on his Starling debit card totalling £34,206.48. He says however that these should've been blocked by Starling but weren't as the gambling providers used incorrect Merchant Category Codes (MCCs).

Mr B complained to Starling about this in early 2024; however Starling sent their final response letter (FRL) stating that a chargeback claim for these transactions couldn't be raised as gambling transactions were excluded by the card issuer rules.

They also said they do monitor for merchants that may be misclassifying their MCCs and where this has happened, future payments are then blocked and they are reported to the card scheme Mastercard and the Gambling Commission for further investigation.

Mr B remained dissatisfied and said Starling should've been proactive in stopping those transactions. He therefore brought his complaint to our service to consider.

Our investigator reviewed the available evidence and agreed with Starling that there wasn't a prospect of success if a chargeback claim had been raised as these were gambling transactions. They also explained that they didn't agree that Starling could've done more to investigate and block businesses where issues hadn't previously been raised.

Mr B didn't agree and thought Starling should've done more as he was a vulnerable consumer. He therefore asked for an ombudsman to issue a final decision on the matter.

### **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've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a courtesy but reflects my role in resolving disputes informally.

It's important to note that Starling aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so, I note that because Mr B paid for these transactions using a debit card, a chargeback could've helped him.

However, Mr B has said in his submissions to our investigator that his complaint was not about the chargeback claim, and he has accepted that they are excluded under Mastercard's rules.

Therefore, I won't be saying much more on this beyond the fact that under Mastercard time limits, chargeback claims would've been restricted to 120 days from the date of the transactions. With those transactions that fall under these time limits, as Mr B is aware and has accepted, the Mastercard rules limit the chargeback rights for these types of gambling claims.

Mr B has clarified though, that his complaint is about the fact the MCC's attached to the gambling sites used were listed as something other than gambling, which meant Starling's in-app gambling block didn't prevent them from being made. Mr B feels that Starling should have done more to prevent this because the merchants and whoever was involved in processing their transactions used the wrong MCCs.

Firstly, I must comment on the use of an incorrect MCC code. This isn't as straightforward as it may appear, as merchants can offer a wide range of services and so there may be a few different codes that they can be identified with.

And most importantly, it's not actually the merchant who decides what code will be used, it's the acquirer who sets the MCC for the merchant. In Mr B's case, while I don't doubt the websites he used allowed him to gamble, I've not seen any evidence to show that these were the only services they provided or that the codes used were fundamentally incorrect. And so if they weren't, they wouldn't have been blocked by Starling in any event.

In addition, it would've been for Mr B to have provided evidence that proved the transactions were exactly what he claimed they were and weren't what the MCC indicated they were. So he would've had to be able to show that the transactions being considered had all been misrepresented. This is an extremely difficult thing to prove. Quite often, these sorts of gambling accounts can be closed by the websites directly when disputes occur as well.

In summary, I can't agree that Starling could've proactively blocked these sites as they would've needed to see evidence first that the services provided were different from the codes used. Starling wouldn't be reviewing all transactions made proactively in this manner and I don't think it would be reasonable to expect this. I would expect, however, for Starling to act appropriately when they have sufficient evidence a MCC code is incorrect for further transactions to be blocked.

In Mr B's case I've not seen any evidence that they would've known to block these transactions proactively. I do empathise with Mr B's situation however and the financial difficulties he found himself in because of this.

Mr B's comments also said the Financial Conduct Authority's (FCA's) Consumer Duty guidelines haven't been complied with here, in terms of acting to deliver good outcomes for customers and avoiding foreseeable harm.

Starling has said they weren't made aware of Mr B's gambling concerns until the claim was raised with them in 2024. I've not seen any evidence to show they were informed sooner and didn't act on this.

In addition, I've not seen that Starling was presented with evidence that certain codes used by the service suppliers were incorrect, and then Mr B was allowed to continue using those same services with this in mind. So while I do appreciate Mr B's concerns, I can't agree that Starling hasn't met the required Consumer Duty guidelines here. They could only have been able to act based on the evidence available at the time with mind to the MCC codes in place.

In conclusion, and I know this'll be disappointing for Mr B, but I can't say Starling did anything wrong here in not proactively blocking these transactions based on the subsequent allegations that the MCC codes were wrong. Therefore I won't be asking them to do anything more.

### **My final decision**

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 December 2025.

Viral Patel  
**Ombudsman**