

## **The complaint**

Mr S has complained about how Monzo Bank Ltd (Monzo) handled refund claims he made to them.

## **What happened**

Mr S used his Monzo Debit Card and Monzo Flex Credit Card for several gambling transactions via online websites towards the end of 2023. However he later contacted Monzo requesting these be refunded as he believed he had been scammed by these sites.

Monzo considered if chargeback claims against these gambling providers and Consumer Credit Act 1974 (“CCA”) section 75 claims (“S75”) against Monzo would help Mr S.

Regarding chargeback, Monzo said that as they were tied to gambling transactions, they were unable to progress these further under the card issuer rules. They also said S75 didn't cover gambling transactions.

Mr S didn't agree with Monzo's assessment and raised a complaint. Monzo issued a final response letter in March 2025 confirming their position. As Mr S remained dissatisfied, he brought his complaint to this service to consider.

Our investigator reviewed Mr S's complaint and agreed it wasn't possible for Monzo to progress the chargeback claim with a prospect of success due to the card issuer rules regarding gambling transactions. They also didn't consider there was a valid S75 claim due to technical requirements and a lack of evidence to show a breach of contract and misrepresentation in any event. They also addressed various other complaint points and concluded that Monzo hadn't done anything wrong.

Mr S didn't agree and 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 discourtesy but reflects my role in resolving disputes informally.

It's important to note that Monzo 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 S paid for some of these transactions using his Monzo debit card, a chargeback could possibly help him. And for those paid by his credit card, these could also be considered under S75. So in deciding what is fair and reasonable I've focused on this.

### *Chargeback*

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered these to determine if Monzo acted fairly.

The Mastercard rules are very clear in their restrictions and under the section for 'Cardholder Dispute Chargeback' it says:

*“For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant.*

*For the avoidance of doubt, chargeback rights are not available for*

- 1. refunds, withdrawals or transfer requests,*
- 2. terms and conditions or account access,*
- 3. winnings, gains or losses, or*
- 4. use or subsequent use.”*

In this case, there is no evidence that the purchased value or assets failed to appear in Mr S's account but rather that he was unable to withdraw funds from the gambling providers. Mastercard rules clearly state that chargebacks regarding withdrawals wouldn't be covered.

Mr S has also expressed concerns about the gambling providers using wrong MCC Codes. Mastercard has confirmed however that the rule relating to providers misrepresenting themselves wouldn't apply in circumstances where incorrect MCC codes have been used to circumvent gambling blocks. They further clarified that the onus sits with the acquirer to ensure that merchants are using the correct codes to identify themselves but that there are no chargeback rights in the situation Mr S finds himself in.

I do appreciate Mr S's distress with this situation. He has said that he previously used a tool to self-exclude from gambling websites and it would be frustrating that protections available in this space can be circumvented in this way. However, I can't agree that Monzo made any errors when they declined to progress his chargeback claims as there was no prospect of success based on Mastercard's rules.

## S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, Monzo would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and a part of that is there needs to be a valid debtor-creditor-supplier agreement in place. This means there needs to be a valid agreement between the 'debtor' who took out the finance and the supplier of goods or services in dispute.

Regarding this technical requirement, there is some doubt to whether this would've been met considering the nature of these gambling transactions. However in any event, due to the limited information available, there is insufficient evidence that a breach of contract or misrepresentation occurred regarding these transactions. I'm therefore satisfied that Monzo didn't do anything wrong in declining Mr S's S75 claims for these reasons.

### *Other concerns*

Mr S has raised additional points which I've addressed in turn:

- Mr S has said he didn't consent to these transactions.

While I appreciate he feels unhappy with the outcome of these transactions, I've seen insufficient evidence that he didn't enter his details and authorise the payments at the time. So I'm satisfied these weren't unauthorised transactions under the account terms.

- Mr S has asked why these transactions were not queried when they went through and considers this should've triggered something on Monzo's end.

It's important to clarify that banks don't routinely monitor individual transactions on accounts. I've not seen anything here that would've prompted Monzo to think a full review was necessary in this case or that they would've known there were issues with individual transactions. And so I can't agree they did anything wrong here.

- Mr S has also said he is unhappy his account was closed and he wasn't provided a reason for this.

Monzo does have the right to close accounts if they wish, and in this case I've insufficient evidence they didn't do so correctly and in line with their terms and conditions. Therefore I can't say they did anything wrong here either.

I appreciate Mr S will find my decision disappointing, but I hope he understands why I've reached this outcome.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 December 2025.

Viral Patel  
**Ombudsman**