

The complaint

Mr C complains Monzo Bank Ltd didn't do enough to prevent gambling transactions leaving his account.

What happened

Mr C held a current account with Monzo and since at least August 2023 had various gambling blocks applied to the account – which Mr C activated through the in-app process.

Mr C suffers from bi-polar which he's previously made the bank aware of. In November 2024 he says, that during a manic episode he started to make several gambling transactions. Mr C says he was able to continue gambling, despite the block being in place, so complained to Monzo on 18 November 2024.

This was reviewed by Monzo who said as Mr C was making the transactions via bank transfer the gambling block wasn't able to prevent these. Prior to issuing its final response, Monzo spoke to Mr C on 20 November 2024 setting this out and spoke about the businesses Mr C was using to gamble, namely four companies I'll refer to as A, B, D and E. It also explained it would ask another team to contact Mr C to discuss ways in which the bank could support him.

Following this, Monzo made a number of attempts to contact Mr C on 21 November 2024 but was unable to get through. It also emailed Mr C explaining it was trying to get in touch with him. As it was unable to speak to Mr C, Monzo called the emergency services out of concern for him.

Monzo issued its first final response letter on 27 November 2024, it said, as Mr C was making the payments for gambling via bank transfer the gambling block wasn't able to prevent these, overall it didn't think it had acted unfairly.

Unfortunately following the call on 20 November 2024, Mr C says he entered a further episode, in part he says this was as a result of Monzo's response to his complaint. From this point until at least 25 December 2024 Mr C continued making high value transactions to the same gambling sites, with a total value of around £41,000.

Following this, he raised his concerns with Monzo again, as he considered it should have done more after it spoke to him on 20 November 2024. Monzo issued a further final response on 9 January 2025. In this it reiterated that due to the limitations of the gambling block it was unable to stop all payments being made, which it considered it had explained. It also reviewed how it handled the contact attempts it made to Mr C on 21 November 2024. But concluded it had handled this correctly and in line with its procedures.

Unhappy, Mr C brought his concerns to our Service, saying following a manic episode, he'd been able to make transactions to gambling websites despite a gambling block being in place. Also saying he'd made Monzo aware of the gambling sites he used (A, B, D and E). He considered that given Monzo knew about his vulnerabilities it should have done more to support him.

While the complaint was with our Service Monzo made the decision to close Mr C's account on 25 February 2025.

An Investigator here reviewed matters but didn't think Monzo had acted unfairly. They explained that while the gambling block was in place, it wasn't able to prevent all transactions. And as Mr C had made payment via bank transfer, specifically faster payments, the gambling block wasn't able to stop these – and that was reasonable. They also considered the support Monzo had given Mr C, but concluded it had done what it could by attempting to contact Mr C on numerous occasions and subsequently contacting the emergency services.

Mr C didn't agree, saying given what he'd told Monzo, it should have blocked all transactions on his account. And it hadn't made sufficient effort to contact him – two phone calls weren't enough. He also said its policies and procedures weren't effective, so to say these were followed doesn't result in a fair outcome.

As no agreement was reached, the decision was passed to me to decide.

As part of my review I arranged for our Investigator to ask Mr C and Monzo some further questions. In summary Monzo explained:

- It would only consider blocking or freezing a customer's account in certain circumstances, which it didn't consider applied here.
- It had attempted to contact Mr C on 21 November 2024, but without engagement it had been unable to speak to him about merchant blocks it could have applied. Overall it didn't consider it could have done anything more.
- It has since made the decision to close Mr C's account in February 2025.
- It did however consider it could have provided more clarity to Mr C in the call of 20 November 2024 and for this it's said it would like to offer Mr C £150.

Mr C also responded to the questions I'd asked him, clarifying that Monzo made the decision to close the account, but there were no funds remaining when it did so and that he'd previously made Monzo aware he suffered from bi-polar.

Mr C also explained the preventions he'd put in place to stop gambling, including, self-exclusion lists for gambling sites, putting gambling blocks on all cards and seeking third-party support. He explained that while other banks had stopped his attempts to gamble, Monzo hadn't.

In addition, Mr C said the money he'd used was taken from a joint account shared with his partner as well as providing a detailed explanation of his loss of self-control and depression experienced during and after a manic episode. He's also said he doesn't recall a visit from emergency services but is grateful if Monzo did do that. While he remembers a call from a medical professional, he assumed this had been instigated by a family member.

I should say while I've only summarised Monzo and Mr C's responses above, I've taken everything into account when coming to my decision here.

As no agreement could be reached, the complaint was passed to me to decide. I issued a provisional decision, explaining why I intended to uphold this complaint. I said:

"I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

Firstly, I should say I'm very sorry to hear of the difficulties Mr C has faced over the years. I'd like to thank Mr C for sharing the details of his condition with us, in detail. I've not repeated everything here as our decisions are published, but I want Mr C to be aware I've read and listened to everything he's said and taken that into account when coming to my decision.

I also want to say this case has not been straightforward to decide, there are competing obligations here. Firstly, Monzo is expected to process payments that Mr C authorises it to. But in some cases, taking into account the relevant rules, codes and best practice, I think Monzo should have looked at the wider circumstances surrounding the transactions, before authorising the payments.

Broadly speaking, Mr C's complaint covers two separate periods of time – before he spoke to Monzo on 20 November 2024, and after. Mr C has said he's mainly unhappy with Monzo's actions after this call, but for completeness I've briefly touched on its actions prior to this as well. I've set out my findings for each below.

Prior to 20 November 2024

Gambling blocks, such as the one Monzo offer and Mr C had activated on his account, have limitations. They rely on gambling merchants using specific UK merchant codes in order for the transaction to be recognised as gambling. If the merchant uses a different merchant code, not recognised as gambling, the transaction will circumvent that block.

A transaction would also circumvent the block if the payment is made by bank transfer. That's because bank transfers don't use merchant codes in the same way a card payment does. As such, Monzo explained to Mr C during the call on 20 November 2024 that as the payments he made were by bank transfer, rather than card payment, the gambling block hadn't prevented these. I've therefore considered whether Monzo made this clear to Mr C when he set up the gambling block, and based on what I've seen, I think it did, I'll explain why.

Monzo's website says:

"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."

It's terms and conditions go on to explain:

"Whenever you pay for something with your card, there's a code for the transaction. So when we see a payment with a gambling code, we can block it.

Sometimes if the company doesn't have a gambling code, it can be tricky for us to stop the payment in time. You can tell us and we'll block that company from then on, but we can't undo the payment.

When you set up the gambling block, we'll ask you to set up a cooldown period. It can be anything from 2 days to a years and you'll have to wait out that cooldown before you can switch off the block"

Monzo has also shown, when Mr C applied the gambling block, he would have been taken to

a screen that states:

"All transactions have a code which helps identify what kind of transaction they are, and we'll try our best to block these payments (but if they go through then you'll still be liable for them)."

While it would have been helpful for Monzo to clarify here the block only applies to card payments, I think this, in conjunction with the terms and conditions and website makes it sufficiently clear how the gambling block works and that there are limitations. I think it's also made clear that the block may not work all of the time. In addition, since August 2023, Mr C took steps on at least four occasions to remove the gambling block, but enabled it before the cooldown period ended. As such, Mr C would have received the notice mentioned more than once.

Given this, I don't think Monzo acted unfairly here. While the gambling block didn't prevent the transactions Mr C made, that's not unreasonable as he made them by bank transfer. And, as explained above, the gambling block isn't designed to block these types of transactions, which I think Monzo made sufficiently clear.

As such, I don't intend to ask Monzo to take any action in relation to the transactions Mr C made up to 20 November 2024.

20 November 2024 onwards

As explained, Monzo is expected to process payments that its customer's authorise and here, Mr C hasn't disputed this. Instead, he's said, given the blocks in place and the discussion he'd had with Monzo, it should have done more to protect him.

Following Mr C's complaint on 18 November 2024, Monzo spoke to him to discuss matters on 20 November 2024. It explained, as set out above, the limitations of the gambling block and why it was unable to help recoup the transactions Mr C had already made.

Having listened to this call, in detail, I consider Mr C explained, at length, the impact his bipolar and manic episodes had on him. He also explained, in detail about the ways in which he'd attempted to protect himself against future episodes, using Monzo's systems. And I think he was specifically looking for ways in which Monzo could help him going forward. I also consider Monzo explained there were other steps it may be able to take to help Mr C going forward.

I say this because, Monzo asked which transactions made on Mr C's account were gambling transactions. Mr C confirmed all payments made to A, B, D and E were for gambling. Monzo then went on to explain it would refer him to its well-being team. The call handler said:

"What the well-being team might be able to discuss with you is that I know we can do other kinds of, more specific blocks or controls, tailored to you, that they might be able to discuss with you, sorted to your specific situation."

This also supports Monzo's terms and conditions, as noted above, which say:

"Sometimes if the company doesn't have a gambling code, it can be tricky for us to stop the payment in time. You can tell us and we'll block that company from then on, but we can't undo the payment."

So I consider, from this point Monzo could have taken steps to prevent payments being made to companies A, B, D and E. But I must also keep in mind that Monzo had previously

told him the type of transactions he was making wouldn't be stopped by the gambling block.

Mr C has since explained he had unfortunately entered another episode, following the call with Monzo. I note transactions on the account show that following a break in payments since 15 November 2024, Mr C started making payments to A again on 20 November 2024. He also emailed Monzo during the night asking it to stop his access to gambling.

Monzo's well-being team attempted to call Mr C on 21 November 2024, but unable to get through it called the emergency services. It next appears to have contacted Mr C by email and chat, on 23 November 2024.

Based on what I've seen Monzo appear to have then closed Mr C's escalation around 23 November 2024, noting it had exhausted its offers of support and continuing to reach out wasn't appropriate. Monzo has since said there was nothing further it was able to do without Mr C's consent, and as he didn't engage, it didn't have that consent. But I don't agree.

By this point, Monzo had confirmation from Mr C of the name of the companies of concern, namely A, B, D and E, he was also clear during the call and subsequent email, he wanted Monzo's help. So it's from here, around 23 November 2024, I consider Monzo could have done more to prevent Mr C making these transactions.

Having looked through Mr C's bank statements, he wasn't making any other payments during this time – instead just a significant number of high value transactions to A, B, D and E. All of which relate to gambling and all of which he'd named during the call with Monzo on 20 November 2024. Given Monzo was concerned enough to call the emergency services, I would also have expected it to take additional steps to review how Mr C was using his account following the interactions he'd had with it.

I say that because Monzo had sufficient information that Mr C was making a large amount of high value transactions to companies A, B, D and E. On 20 November 2024 he'd told Monzo, in detail, about the impact this was having on him and that he wanted to stop gambling. He'd put the tools in place available to him, namely the gambling block, in an attempt to prevent this. Monzo were aware in this case, that wasn't sufficient and had such concern for Mr C that it called the emergency services. So by this point, as it was unable to get hold of Mr C and it could see the account was solely used for gambling, I think it should have put a block on Mr C's account to prevent further use.

Monzo has said it needed a direct instruction from Mr C in order to restrict payments to A, B, D and E, specifically saying that without clarifying matters with Mr C it would not have been comfortable in adding specific payment blocks. And as it had been unable to contact Mr C, it had acted fairly.

Having thought about this from both sides, had it put a block in place, I think it more likely than not, it would have prompted Mr C to get in touch. And as I've explained above, Mr C wasn't making any other payments from this account, such as bills or day to day spending – so I don't consider Mr C would have been impacted, aside from prevented from gambling, had Monzo restricted the account at this point. I also think the details given by Mr C during the call of 20 November 2024 and later email, made clear he wanted to stop gambling.

Given this, I think it would have been reasonable, in this case, for Monzo to restrict the account or block payments without further clarification from Mr C.

Taking everything into account, I'm planning to uphold this part of Mr C's complaint. As but for Monzo's actions, or lack of, in this case, I don't consider Mr C would have lost the amount he ultimately did. I say that because, by around 23 November 2024, when Monzo was

unable to get in touch with Mr C, rather than close his escalation I think it should have blocked payments to companies A, B, D and E or frozen his account totally. Had it chosen to do the latter, I can't agree this would have impacted Mr C in any way other than to prevent payments to A, B, D and E. That's because, as explained, Mr C wasn't using this account for anything other than gambling transactions to these businesses.

Putting things right

While I think Monzo should have blocked Mr C's account around 23 November 2024, it wouldn't be fair for me to say it should refund all the payments Mr C made to A, B, D and E.

I say this for several reasons, firstly when looking at what a fair and reasonable outcome would be, I also need to consider the expectations of Monzo when a customer asks it to make a payment. As I've explained above, Monzo is expected to process payments Mr C authorises it to make and here, Mr C authorised all payments to A, B, D and E.

A fair and reasonable outcome here, would also mean putting Mr C into the position he would have been, had Monzo blocked his account or certain payments around 23 November 2024. As such, I need to consider what funds were held in Mr C's account around the time I consider a block should have been applied.

Mr C was transferring funds to his Monzo account from other accounts he held, predominantly one he says he held with his partner. The funds were then almost immediately transferred out of the account to fund transactions with A, B, D and E. The maximum I've seen Mr C held in his account at any one time was £2,000, on just one occasion on 29 November 2024. Typically, the amount was much less than this, and on almost every occasion was transferred out of the account the same day, reverting his balance to zero. As such, had Monzo blocked or restricted his account around the 23 November 2024 as I think it should have, it's more likely than not the available funds would have been low.

In the circumstances, I also need to consider that even had Monzo intervened and gone as far as to block Mr C's account, I think he might still have found a way to gamble using his other accounts, so it wouldn't be fair to hold Monzo responsible for the entirety of his losses.

I appreciate Mr C considers an intervention by Monzo would have successfully stopped him gambling completely – but it's very difficult to know that for sure. And ultimately, while Monzo could have done more here, Mr C has explained, when experiencing a manic episode, he loses control, and I don't think it's unreasonable to conclude Mr C may have found other ways to gamble, meaning he would still have lost the money he ultimately did.

I also need to take into account Mr C appears to have won some money during this time. While not regularly, I have seen payments into the account from the companies he was gambling with. It may also be the case Mr C held winnings in other accounts from these companies, so I've taken this into consideration too.

With all the above in mind, I can't fairly say Monzo should refund all of the payments Mr C made to A, B, D and E. That's because: Monzo are required to process transactions a customer authorises; based on the way Mr C moved money, only relatively small sums were in his account at any one time; it was a very real possibility Mr C would have found alternative ways to gamble; Monzo had previously made Mr C aware blocks on his account couldn't stop the type of payments he was making and it's unclear what winnings Mr C may have received.

However, I do think Monzo should have done more by blocking the account or certain

transactions. The difficulty here is it's simply not possible to say Mr C wouldn't have ultimately lost the money he did, even had Monzo acted differently. As such, I think the most suitable outcome here is that Monzo pay an award for distress and inconvenience.

I appreciate this has been a very distressing time for Mr C, but for the reasons explained, I can't hold Monzo responsible for all payments. As such, I plan to instruct Monzo to pay Mr C £800 for distress and inconvenience here. And I think this is fair and reasonable in all the circumstances of the complaint."

Responses to my provisional decision

I invited both parties to respond with any further points or evidence they wanted me to take into account before I issued my final decision.

Mr C responded and while he accepted his complaint had been upheld by this Service, he considered further redress should be awarded. In summary saying, as I found Monzo should have done more to block transactions, those payments made after that time should be taken into account and some refunded.

He said his email to Monzo of 20 November 2024 gave explicit consent for it to prevent him from gambling and he didn't agree with my comments that he may have found other ways to gamble. Mr C also referred to other decisions issued by this Service, which he considered to be similar.

Monzo also responded, agreeing with my final decision.

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.

Having done so, I've reached the same outcome as set out in my provisional decision.

I can appreciate it will be disappointing for Mr C to hear that I'm not asking Monzo to refund specific transactions he made following the call and subsequent email on 20 November 2024. I do agree this notified Monzo to the situation he was in, and that he wanted support to help stop gambling. I should also say, I think the details he gave during the call with Monzo about A, B, D and E were specific enough for Monzo to take action. As such, I have found Monzo were suitably aware and could have done more. However, I must also take into account Monzo had previously told Mr C it was unable to stop transactions such as those he was making and it did so clearly.

In cases like this, I need to consider what would more likely than not have happened, had Monzo done as I'd expect – while also keeping in mind it was required to act on Mr C's instructions. And had Monzo blocked Mr C's account, when I consider it should have, that the amount of funds in Mr C's account would have been low, if anything at all.

I've taken on board Mr C's comments about finding other ways to gamble, but in situations such as this, I need to consider what more likely than not would have happened. And given the difficulties Mr C was facing, I can't fairly conclude that Monzo blocking his account would have prevented him losing the money he ultimately did.

I also note Mr C has referenced other decisions our Service has issued. However, my role is to decide each complaint on its own merits and while complaints may appear similar on the face of it, this may not reflect the subtleties and differences between these cases and his own.

While I can see this has had a significant impact on Mr C's life and I am extremely sorry to hear about this, I do think £800 fairly resolves matters here. That's because, for the reasons explained, Monzo was required to process transactions Mr C authorised; had the account been blocked few funds, if any, would more likely than not have been available; it was a very real possibility Mr C would have found alternative ways to gamble; and Monzo had made Mr C aware blocks on his account couldn't stop the type of payments he was making. Taking all of this into account I require Monzo to pay Mr C £800.

My final decision

For the reasons explained above, I uphold this complaint and require Monzo Bank Ltd to pay Mr C £800.

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

Victoria Cheyne
Ombudsman