

The complaint

Mr R complains that The Royal Bank of Scotland Plc treated him unfairly regarding chargeback claims for a number of payments. Mr R is also unhappy with the service he received from The Royal Bank of Scotland Plc while he was disputing these payments.

What happened

In late June 2025 Mr R made multiple payments to an online gambling website. He says he won a significant amount of money, but when he tried to claim it the website wouldn't transfer the funds.

He therefore complained to RBS and disputed the gambling payments he had initially made using his debit card. He asked RBS to raise a chargeback on his behalf.

RBS automatically declined his dispute claims and therefore didn't raise any chargebacks. So Mr R raised a complaint about this and the customer service he'd received when trying to raise the disputes.

RBS considered his complaint and upheld it in part. In relation to the chargebacks RBS said it thought Mr R had raised an unusually high number of chargebacks in a short period of time. And given most merchants would try to resolve the dispute without the need for a chargeback, it had concerns with this. So, it didn't raise the chargebacks as requested. RBS told Mr R that going forward he would need to provide more evidence upfront for future disputes.

It also considered the customer service provided. This included not responding in a timely manner or providing call backs which were promised, which resulted in Mr R needing to chase for a response. RBS offered £100 to compensate Mr R for the customer service issues. Mr R also raised a subsequent complaint relating to the customer service issues he had experienced and was offered an additional £100 compensation.

In addition, there was also a suggestion that the merchant intended to pay the funds to Mr R and it had given a deadline as to when it would do this. So, RBS said that after this deadline had expired, if Mr R hadn't received the funds, it should contact it again and it will consider raising a dispute at this stage.

Mr R referred his complaint to our service. He complained about the handling of the chargeback claim and the customer service issues. This included that RBS had failed to recognise clear evidence that the merchant was operating illegally in the UK. And that in order to facilitate this the merchant was using multiple names to process the transactions.

The complaint was considered by one of our investigators who didn't uphold it. They didn't think the chargebacks would have had any real prospect for success, as gambling related transactions are excluded under the scheme rules.

They also considered the customer service issues but thought that the compensation RBS had already offered Mr R was fair. They also didn't think it was unreasonable for RBS to

complete more checks before putting through a chargeback request, where there's been an unusually high number of chargeback claims submitted.

Furthermore, they didn't think RBS had acted unfairly in processing the transactions. Whilst they appreciated that Mr R had registered with GAMSTOP, it seems likely that the website in question was operating outside the UK which GAMSTOP doesn't prevent. They explained that it's not RBS' role to monitor this – it does not have the power to shut websites down or block them. In addition, they explained that gambling blocks rely on the "Merchant Category Codes" ("MCC") which are set up by the merchant. So, these blocks rely on a gambling MCC being selected by the merchant and it's therefore possible to circumvent. They explained RBS isn't responsible for what MCC code is used.

Mr R asked for an ombudsman to consider the complaint. Although he's now received the funds he won from the merchant, he doesn't agree £200 is fair compensation. He thinks RBS should have done more to support him as a vulnerable customer. He is also concerned about the personal information he has shared with the illegal website which RBS failed to block.

As an agreement couldn't be reached, the complaint has been passed to me to consider.

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'm not going to uphold this complaint. I appreciate this will be disappointing for Mr R.

I've read everything that the parties have said, but I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. And our rules allow me to do this. This reflects the nature of our service as a free and informal alternative to the courts.

There's no dispute that Mr R authorised the payments made to the website. He was also able to use the funds deposited. The issue came when Mr R wasn't given the funds he'd won. So, he disputed the initial payments made to the website with RBS.

Chargeback

When payments are disputed, one option RBS could have considered was to raise a chargeback.

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows customers to ask for a transaction to be refunded in a number of situations, some common examples being where goods or services aren't provided, or where goods or services aren't as described.

There's no automatic right to a chargeback; the chargeback process doesn't give consumers legal rights; and chargeback is not a guaranteed method of getting a refund because chargebacks may be defended by the merchant. This is because the rules, set out by the card scheme lay down strict conditions which must be satisfied for a chargeback claim to succeed. If a financial business thinks that a claim won't be successful, it doesn't have to raise a chargeback. But where there's a reasonable chance of success, I'd expect a financial

business to raise a chargeback.

In this case it's not in dispute that the payments were made for gambling. Under the relevant scheme rules (Mastercard), payments for gambling are excluded from chargeback rights. So, it's clear that Mr R wouldn't have been successful if RBS had raised a chargeback.

Customer service issues

In this case, as I understand it RBS chose to automatically decline Mr R's requests to dispute the transactions. It said it had concerns with how many chargebacks were raised and that it had a responsibility to check the chargeback process was being used correctly. Going forward it said it would be asking for more evidence upfront from Mr R.

I don't think it's unreasonable in the circumstances that RBS wanted to make further checks before raising a chargeback. However, in this case it does appear that the dispute requests were automatically declined without first taking this step. I can however see that RBS went on to say it would consider a chargeback if the merchant hadn't provided the gambling winnings by the date it said it would. So, it's clear RBS was open to considering this matter further. But I agree the communication here should have been better.

In addition, I can see there were other issues where Mr R needed to chase for responses and promises of call backs weren't honoured. I can appreciate that this would have been distressing for Mr R. However, I can see that RBS has already taken this into consideration and has provided £200 compensation for the distress it's handling of this matter would have caused. I've considered our typical approach to compensation in these circumstances (which Mr R can read about further on our website). Having done so, I think this amount is fair compensation to recognise the errors made. So, I'm not going to ask RBS to pay anything further. I leave it to Mr R to decide if he wants to accept this offer.

Mr R has raised a number of other points, essentially arguing that RBS shouldn't have processed the payments which he authorised. This was because the gambling website wasn't registered in the UK and Mr R had registered with GAMSTOP.

Whilst I appreciate why Mr R is upset, I can't say RBS has done anything wrong in this regard. GAMSTOP attempts to block an individual from signing up or using online accounts with gambling companies licenced in Great Britain. This isn't an initiative which RBS is involved in or would have been aware of. And in any event, Mr R has argued that the gambling website he used wasn't registered in the UK so this may be why his block didn't work. However, RBS processed payments for a service which Mr R authorised and used for the intended purpose. And I've not seen anything to suggest RBS should have had reason to not process the payments.

I've noted that Mr R is also concerned that the gambling website has his personal data. He says he has received identity documentation requests from the website which he has provided. However, Mr R has given his personal data to the website and again I can't agree that RBS is responsible for the distress this is causing him.

My final decision

My final decision is that I don't uphold this complaint against The Royal Bank of Scotland Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 April 2026.

Claire Lisle
Ombudsman