

## **The complaint**

Miss W complains that Monzo Bank Ltd ('Monzo') won't refund transactions she made for gambling.

## **What happened**

On 27 and 28 March 2025, Miss W made 24 faster payments to a company I'll refer to as P. These transactions were made for gambling with a company I'll refer to as J.

Miss W says she had a gambling block on her Monzo account, but Monzo allowed these payments to go through. Miss W feels Monzo should've identified the payments as suspicious and intervened.

Miss W raised a fraud claim with Monzo, asking that they refund her. Monzo said they aren't liable for Miss W's loss.

Miss W wasn't happy with Monzo's response, so she brought a complaint to our service.

An investigator looked into her complaint but didn't recommend that Monzo refund her. The investigator wasn't satisfied that the Faster Payments Scheme (FPS) reimbursement rules apply as Miss W wasn't tricked into making the payments and they weren't made as the result of a scam. The investigator didn't feel that Monzo should've been concerned when the payments were made and explained that the gambling block only covers card payments.

Miss W disagreed with the investigator's opinion and asked for an ombudsman to review her case. She says Monzo failed to provide any help or support with a Non-Disclosure Agreement (NDA) the gambling site asked her to sign and should've intervened when she made the payments.

## **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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that Monzo are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Miss W authorised these payments, so the starting point is that Monzo isn't liable for her loss.

As the investigator explained the Faster Payments Scheme (FPS) reimbursement rules don't apply. In this case, Miss W was making the payments for the purpose of gambling and was

able to gamble using the funds she deposited with J. There is no evidence that Miss W was the victim of an APP scam. I appreciate that she may feel J misled her in relation to their terms and conditions or feel that they haven't acted in her best interests, but that doesn't mean she was the victim of a scam.

There are some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

I can see that Miss W had a gambling block on her account, but this only prevents card payments based on the Merchant Charge Code (MCC). It doesn't apply to faster payments, which is how Miss W made these payments.

Having reviewed Miss W's previous account activity, I can see that it wasn't unusual for her to make multiple payments out of her account on the same day. For example, on 20 March she made ten payments, and on 19 March she made 19 payments.

Also, the payments to P were for low individual values, with the highest only being for £200 and the combined total being £1,250. I appreciate that this was a lot of money for Miss W, but Monzo has to balance identifying a potential risk of financial harm and intervening, while minimising the impact and disruption on genuine payments.

Based on the information available to Monzo and the pattern of payments, I'm not satisfied that Monzo should've identified a risk of potential harm from fraud or intervened when the payments were made. So, I'm not persuaded that Monzo should've prevented Miss W's loss.

It's also important to note that the first payments Miss W tried to make to J were blocked and J offered her a way to avoid the block. So, if Monzo had blocked Miss W from making payments to P, it's highly possible that J would've found an alternative way for Miss W to continue making payments.

Miss W has raised a concern about an NDA that J asked her to sign, saying Monzo didn't give her any help or guidance. I can see that Miss W raised the NDA with Monzo on 18 April 2024 through their in-app chat. Monzo responded saying they couldn't provide advice in relation to this matter. Later the same day Miss W told Monzo "I want to highlight also, that I am seeking advice from a bank and finance lawyer to support my claim and complaint".

I wouldn't have expected Monzo to provide advice about an NDA which is a legal document, but they could've shared the details of free charities that could provide help. However, I'm not satisfied that I can't fairly say Monzo did anything wrong, especially as it appeared that Miss W was seeking independent support and guidance.

I can see that when Miss W reported the fraud, she asked about putting limits on her spending and was given guidance on how to do this. Monzo also placed a block so no further payments could be made to P. Although they explained that if Miss W received different bank details for P, those payments wouldn't be automatically blocked. And, when Miss W made Monzo aware she was struggling due to the impact of the loss, they signposted her to charities that might be able to help and referred her to their support team.

I appreciate that gambling is an addiction that has a devastating impact on those affected, and it's clear that losing these funds seriously impacted Miss W and has caused her distress. But, having carefully considered all of the evidence, I'm not persuaded that I can fairly hold Monzo liable for Miss W's loss or ask them to refund her.

### **My final decision**

My final decision is that I don't uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 10 March 2026.

Lisa Lowe  
**Ombudsman**