

The complaint

Mr N complains about Monzo Bank Ltd's actions after he asked it to raise chargebacks on transactions made using Monzo current account.

What happened

Mr N has a gambling addiction and placed a block on his Monzo current account to stop himself from making gambling transactions. Throughout December 2024, he made numerous transactions totalling over £2,000 to what he describes as an "*online offshore casino*". The casino is listed under a different name on Mr N's bank statements, and he says he doesn't know who this company is. For ease, I'll refer to the casino as X.

Mr N asked Monzo to raise chargebacks for his transactions to X but it said Mastercard wouldn't accept any chargebacks related to gambling. However, Monzo had actually automatically raised two chargebacks and temporarily refunded two of Mr N's payments to X into his current account. Unfortunately, Monzo didn't properly explain why it had raised two chargebacks and not others.

Mr N complained to Monzo. He said X has an incorrect "merchant category code" ('MCC') to help customers bypass any gambling restrictions. X had a "digital goods: games" MCC, and Mr N thought a chargeback could be raised on the grounds that either the service X provided was not as described or that no goods or services were received from X.

In its final response to the complaint, Monzo said its gambling block relies on companies correctly disclosing their MCC and it couldn't have blocked transactions to X because it didn't have a gambling MCC. Monzo said a chargeback wouldn't succeed as Mr N had confirmed he used X's service and gambled, so he did get the credits he'd paid for.

Mr N wanted to raise a new complaint to Monzo as he didn't feel it was listening to him, but it didn't open a new complaint. So, Mr N brought his complaint to our service.

Before his complaint was referred to one of our investigators, Mr N said X had suspended his access to his account. X then went on to defend the two chargebacks raised. Monzo decided not to pursue these chargebacks further and removed the temporary credits from Mr N's account. Mr N was unhappy with the time Monzo took to send him a copy of the information X had provided when it defended the chargeback.

An investigator reviewed Mr N's complaint but didn't uphold it. The investigator said Monzo wasn't responsible if X had an incorrect MCC and its gambling block wouldn't prevent transactions to X from being processed. They added Monzo couldn't have raised a chargeback if X had an incorrect MCC; Mastercard says the evidential requirements are very high and require consumers to demonstrate X wasn't entitled to use a non-gambling MCC in the course of their overall business. However, our Investigator thought Monzo had failed to clearly explain why it had raised some chargebacks and not others, which had caused Mr N some distress and inconvenience. To put things right, the investigator recommended Monzo pay Mr N £100 compensation.

Mr N asked for an Ombudsman to review his complaint. He said Monzo should have raised chargebacks on the grounds that either the goods or services provided by X were not received or were not as described. Mr N thinks Monzo was in breach of various rules and regulations.

This complaint was referred to me. I issued a provisional decision on 11 November 2025 which set out my reasons for reaching the same outcome as our Investigator:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I note Mr N has referred to another ombudsman's decision on a separate complaint. However, each complaint is considered based on its individual facts and circumstances. In Mr N's complaint, I've considered everything both parties have submitted to our service, including the rules and regulations he has referred to. My decision will not address every point raised and will focus on what I consider to be key to the outcome of this complaint in line with the informal nature of our service.

In reviewing this complaint, I noted the investigator considered Monzo's actions after the date of its final response. Normally, Mr N would need to make a new complaint to Monzo about its actions after its final response. However, Monzo has given our service information about its claims handling until 21 March 2025, which was after it received X's evidence when defending the chargeback. Monzo hasn't objected to our investigator considering its actions beyond its final response. So, to avoid further delay for both parties, I've considered Monzo's actions until 21 March 2025. If Mr N has any complaint about Monzo's actions beyond this date, he should raise them directly with Monzo.

Mr N's transactions to X

Monzo had implemented a gambling block on Mr N's account. It's agreed by the parties that Mr N was able to make transactions to X because it doesn't have a gambling MCC. Monzo isn't able to verify the MCCs of merchants and I don't think it acted unreasonably in allowing the transactions to be processed. Once Mr N notified X he felt these transactions were gambling, it explained it was unable to prevent Mr N's transactions and considered his request to raise chargebacks.

Chargeback

Chargeback provides an avenue for a bank to raise a dispute with a merchant where something has gone wrong. However, it doesn't cover all eventualities, it isn't a legal right and isn't guaranteed to get a customer a refund. It's often good practice for a credit provider to attempt a chargeback where the circumstances are appropriate and there is a reasonable prospect of success. Strict rules and timeframes apply to chargebacks, and these are set out by the card scheme operator (here, that's Mastercard).

Mastercard's rules limit the chargeback rights for gambling, investment or similar transactions. Where the transactions were related to gambling, a chargeback right is only available for a transaction in which the value or assets purchased for gambling are not provided according to the contractual terms and conditions. Mastercard's rules say chargeback rights are not available for refunds, withdrawals or transfer requests, terms and conditions or account access, winnings, gains or losses, or use or subsequent use.

In his chargeback request, Mr N said the transactions he raised were gambling related, so the above restrictions apply. Mr N didn't specifically say he had purchased credit from X that had failed to appear in his account. He wasn't able, for example, to provide screenshots

showing his online account after each transaction without the corresponding credits, value or assets being made available to him.

I think the evidence available at the time Mr N asked to raise chargebacks suggested he did have access to the funds he deposited with X. It's unclear why Mr N would've continued to make payments to X if he wasn't then getting access to credits to then gamble or make purchases to play online games. Overall, I think Monzo was right to conclude he had no chargeback rights for his gambling transactions under Mastercard's rules.

For gambling related transactions, it isn't possible to raise a chargeback because goods or services were not received or as described. As set out above, it is only possible to raise a chargeback for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant.

Overall, I think it was reasonable for Monzo to decide not to raise the chargebacks requested by Mr N as they were unlikely to succeed on the grounds that goods or services were not provided. However, Monzo's system automatically raised two chargebacks for "goods or services not received" so I'll address how it dealt with those.

The two chargebacks raised for goods and services not received

As I've concluded, I think Monzo was right to say no chargebacks should have been raised. It has said its systems automatically raised two chargebacks that should not have been attempted.

For a chargeback to be successful on this ground, it must be shown it isn't gambling related. Delivery of goods is not limited to physical items – it includes digital goods and services, such as purchases of skins or transactions relating to online gaming.

Under Mastercard's rules, to raise a chargeback, the card holder must describe the purchased goods or services that were not received and show these were not received.

For the two chargebacks raised, Mr N hadn't specifically said what these transactions were for, other than to say he was gambling. X defended the chargebacks and provided screenshots of two orders for a "skins". Mr N says X's evidence is fraudulent, and the "BIN" and "PAN" numbers on X's evidence don't match his details. Mr N also says it's suspicious that the two items X says he purchased cost the same amount of money. However, X provided invoices with Mr N's personal details and items with a stated value that matches the value of the transactions Mr N has paid for. Bearing in mind a chargeback shouldn't have been raised as Mr N said these transactions related to gambling, and X provided evidence that it provided goods to him, I think it was reasonable for Monzo to decide not to pursue these chargebacks further.

I note Mr N is unhappy with the time Monzo took to share X's evidence with him, and thinks he could have pursued the chargeback further. But Mr N hasn't shown X's evidence was fraudulent, or provided the other information required for a successful chargeback. So, I think it's unlikely Monzo would have decided to pursue these chargebacks further if Mr N had more time to respond to X's evidence.

Mr N says Monzo could have raised chargebacks for other transactions because he didn't receive goods or services from X. As I've said above, the chargeback rights for gambling transactions are clear. If Mr N purchased digital goods, such as skins, it's possible he could have raised chargebacks. Under Mastercard's rules at the time, the card holder (Mr N) must provide a reasonably specific description of the goods or services provided. Even if he couldn't provide any documentation from X, I don't think Mr N provided a detailed description of what he was purchasing other than to say he was gambling. Mr N hasn't shown, for example, that he purchased skins that were not received. It's also unclear why Mr N would continue to make so many purchases from X throughout December 2024 if he wasn't getting what he paid for. Overall, I think it was reasonable for Monzo to decide not to raise further chargebacks on this basis.

I note Mr N says Monzo should have raised chargebacks on the grounds that the goods or service provided by X were not as described. A chargeback can only be raised under one reason code. If goods or services haven't been provided, a chargeback can't also be raised because the goods or services were not as described.

Under Mastercard's rules, Mr N must show what he expected to receive, what he actually got and that he then contacted, or attempted to contact, X to resolve the dispute. It must also be shown that N refused to adjust the price, repair, or replace the goods, or things of value, or issue a credit. Mr N hasn't provided this evidence for each transaction before raising a chargeback. In response to the two chargebacks raised, X said Mr N hadn't been in touch with it about any problems, so I think it's unlikely he could have shown he tried to resolve each transaction disputed with X directly.

I note Mr N says X's incorrect MCC shows its service was not as described. Mastercard has said the evidential requirements for cardholders to provide is very high – it is for Mr N to show X wasn't entitled to use a non-gambling MCC in the course of its overall business and he didn't do so. Mr N didn't provide any information about how X presented itself to show it was using an incorrect MCC. Overall, I think Monzo was right to conclude any chargeback was unlikely to succeed on this basis.

Monzo's customer service

Mr N says X withdrew access to his account because Monzo raised two chargebacks. He said Monzo should have withdrawn these if they weren't valid. However, Mr N wanted Monzo to raise chargebacks so I don't think it is reasonable to hold them responsible for X's subsequent actions. I also don't think Mr N would have been happy if Monzo had been able to withdraw the chargebacks, given he's complained about Monzo not pursuing these further or raising further chargebacks and has gone on to refer his complaint to our service.

I understand Mr N feels Monzo failed to treat him fairly, or investigate his complaint in line with its obligations under different rules and regulations. However, I've seen no evidence to persuade me that any chargebacks were likely to succeed. So, I don't think Monzo's decision not to pursue any chargebacks further was reasonable.

Mr N says Monzo's communication must be clear, fair and not misleading. I agree with Mr N that Monzo didn't explain clearly why some chargebacks were raised and others weren't. Monzo also didn't respond to Mr N's request to open a new complaint because of this issue. It's clear Mr N has been caused some upset. However, even if Monzo had explained the issue properly, I think it's unlikely he would've accepted Monzo's explanation and decisions not to pursue things further given he has referred his complaint to our service for a decision. Mr N also had the benefit of two temporary credits, and Monzo gave him appropriate notice when these were removed. In the circumstances, I think the impact of raising two chargebacks (that Mr N wanted to pursue) was limited to the frustration caused by Monzo

not explaining why it had raised these chargebacks and not others. In the circumstances, I think Monzo should pay Mr N £100 compensation for this error.”

Monzo accepted my provisional decision but Mr N did not. Mr N reiterated his complaint points. He emphasised that X had provided screenshots showing invoices for digital skins so this shows his other chargebacks were not related to gambling and should have been raised. He felt Monzo had been inconsistent in explaining why he hadn't raised chargebacks and was concerned I had accepted this.

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, my provisional decision remains unchanged. Mr N responded to my provisional decision and I have considered all of the points raised. However, in line with the informal nature of our service, I'll only address what I consider to be key to the outcome of his complaint.

Mr N said X provided evidence that the two chargebacks raised related to digital goods and not gambling. However, I remain of the view that it was reasonable for Monzo to rely on Mr N's own testimony that the chargebacks were gambling related. In any event, my provisional decision addressed Mr N's arguments that Monzo should have attempted chargebacks. As I said in my provisional decision, for a chargeback for goods or services not received, Mr N would have needed to provide a reasonably specific description of the goods or services provided. Even if he couldn't provide any documentation from X, I don't think Mr N provided a detailed description of what he was purchasing other than to say he was gambling – so he didn't show what the service advertised was or how what he received was different. Mr N hasn't shown, for example, that he purchased skins that were not received. It's also unclear why Mr N would continue to make so many purchases from X throughout December 2024 if he wasn't getting what he paid for. I remain of the view it was reasonable for Monzo to decide not to raise further chargebacks.

I agree with Mr N that Monzo didn't provide a clear or consistent explanation about why it raise some chargebacks and not others. But there are no grounds on which I think the chargebacks Mr N wanted to raise would likely have succeeded. So, I still think the impact of Monzo's poor service was limited to Mr N's frustration at the explanations provided. I remain of the view that Monzo should pay Mr N £100 compensation for this error.

My final decision

My final decision is that Monzo Bank Ltd should pay Mr N £100 compensation, if it has not already done so.

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

Victoria Blackwood
Ombudsman