

The complaint

Mr U is unhappy that Monzo Bank Ltd has allowed him to make payments to gambling merchants without any intervention.

What happened

In August 2025, Mr U had a gambling block on his Monzo current account to prevent him from making gambling transactions as a result of a problem with gambling that he is trying to manage. However in late August 2025, he found he was able to make a substantial amount of payments to gambling merchants while the gambling block was in place. Mr U complained to Monzo about this as he felt that the gambling block had failed and that the number and value of the payments should have alerted it to the fact these were being made to gambling merchants. It turned out that the payments had been made to a business that then forwarded the payments to the gambling companies. Mr U also sought a further refund of two payments, saying they were unauthorised but later accepted that these were actually authorised by him.

Monzo responded to Mr U's complaint and didn't uphold it. Monzo said that the gambling block relies on merchants correctly disclosing merchant category codes in order to identify that payments are being made for gambling. It explained that the block doesn't stop a customer from sending money using faster payments, it can only be used when making transactions directly with a merchant, either online or in store. Monzo said that after looking at the transactions here, it handled them correctly and that ultimately this was a dispute between Mr U and the merchant that received the money.

Mr U was unhappy with this and referred his complaint to our service, where one of our investigators looked into it for him. They said that where Mr U had made his payments using the faster payments service to a non-gambling company, Monzo couldn't have been expected to identify that they were being made for gambling. So they were satisfied that the gambling block wouldn't have applied here. The investigator also didn't think there were any other reasons Monzo should have intervened or blocked the payments, where Mr U had made payments to the non-gambling company before and not questioned them. The investigator added that they weren't persuaded that if Monzo intervened that it would have made a difference.

Mr U disagreed, saying that the amounts involved were unusual, even accepting the normal conduct of his account. He said that if Monzo had intervened or put the payments on hold it would have made a difference. The complaint was referred to an ombudsman to decide.

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.

For clarity, my decision here focuses on Mr U's complaint about Monzo making the payments he's unhappy with and not intervening or stopping them. He has subsequently raised an issue about Monzo closing his accounts which, as our investigator has told him,

will need to be dealt with separately.

When Mr U made these payments, he had a gambling block in place on his account. As Monzo has explained, this block relies on merchants correctly categorising payments with a merchant category code (MCC). When a payment is requested and the MCC is tagged as a gambling merchant, the block means that Monzo will decline that payment. I've seen the screens that a customer has to read before activating the block which make this clear and so I'm satisfied that this information would have been provided to Mr U when he put this in place.

But what happened here is that Mr U's payments weren't directly made to gambling merchants. Instead, Mr U sent his payments by faster payment to a UK payment institution which then credited the relevant gambling companies. This meant that these payments wouldn't have had an MCC attached to them and so wouldn't have any obvious indication that they were being made for gambling purposes.

So I think Monzo's reasons that the gambling block didn't prevent the transactions here are reasonable. What I've gone on to consider is whether there were any other reasons that Monzo should have intervened or stopped these payments. In my view, there weren't. I say this because Mr U had made payments to this merchant before without questioning them or raising concerns. Given that there weren't any obvious signs to identify these payments as for gambling purposes, I don't think Monzo should have questioned these any further based on the amount or frequency of them alone.

Some of these payments were for fairly high amounts and there were a lot of payments in a relatively short time, but equally Mr U seemed able to make these without any obvious detriment. He wasn't using an overdraft for example, and there's no obvious evidence of borrowing outside of Monzo to make them. Mr U has said that he was only able to make the payments because of payments being received from third parties. But I don't think Monzo could have known the details of Mr U's situation here beyond the conduct of his account – which was that he was paying a non-gambling merchant using money he had available. In the circumstances I don't find that Monzo had reasonable grounds to have intervened with these payments.

Mr U has referred to being able to make smaller payments to family and friends which have been questioned and held by Monzo. I see the point he is making here, but like other banks Monzo will have its own processes and criteria to identify payments that it wants more information about – often to comply with its obligations under relevant rules and law. Monzo is entitled to set those criteria, so even though it may have performed checks on smaller payments like these, that doesn't mean it should have automatically done the same for these payments.

In any event, like our investigator, I'm not persuaded that if Monzo intervened it would have made a difference. Mr U has confirmed that he was paying the payment institution in question in order to deliberately get around the gambling block that was in place. To me, that suggests that Mr U was willing to do what he could to make these payments even if further barriers were put in place. I don't think if Monzo intervened and asked him more questions that it would have made a difference here; instead I think it's more likely than not that Mr U would have answered any questions Monzo asked in a way that enabled the payments to be processed. That'll be a difficult message for Mr U to read, but it's what the evidence leads me to conclude here.

I realise this won't be the outcome that Mr U wants and I thank him for his openness to share with us the impact this situation has had on him – which I have carefully considered. But I don't find any reason that it would be fair and reasonable to have expected Monzo to have

intervened in the payments Mr U wants refunding and so I won't be asking it to take any further action.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 16 January 2026.

James Staples
Ombudsman