

The complaint

Mr E complains Monzo Bank Ltd trading as Monzo failed to meaningfully intervene and provide support when he was gambling.

What happened

Mr E has told us he has a history of compulsive spending and problem gambling. In order to try to protect himself from harmful behaviour he placed gambling blocks on his account and registered with GAMSTOP. Mr E complained to Monzo, he told it he'd gambled significant amounts of money over a period of just under a year. This gambling was despite Mr E being registered with GAMSTOP and having a gambling block in place with Monzo.

Mr E said Monzo should have realised he had a problem with gambling because there were many payments being sent out, sometimes thousands of pounds in a matter of days. He explained the outgoings outweighed his income and raised a number of disputes with Monzo about gambling payments.

Mr E complained to Monzo, it should have identified his vulnerability and intervened to stop his payments to the overseas gambling websites. Mr E explained the damaging effect the gambling had on his finances and his mental health and asked Monzo to refund some of the money he spent.

Monzo responded to say its gambling blocks can't stop every site accepting his card, especially if the site is overseas. Monzo said Mr E could add individual blocks to certain merchants, for card payments or transfers. But it's said it doesn't individually monitor accounts, but when Mr E reached out it did explain what further it could do, without a response from Mr E.

Mr E brought his complaint to this service and said the final response Monzo sent was short and insignificant, it didn't answer his complaints. An investigator looked into things but didn't think Mr E's complaint should be upheld.

The investigator said there was a gambling block on Mr E's card, but it relied on merchant codes identifying payments as gambling, and since Mr E used overseas sites, the payments went through. The investigator thought Monzo had acted reasonably in not intervening with his payments because he said Monzo had a duty to follow Mr E's instructions and allow him access to his funds.

Mr E disagreed and said Monzo knew about his gambling but did nothing to try and intervene, despite clear signs he was vulnerable. Mr E thought Monzo should have been more proactive in blocking transactions and reaching out to him, he'd raised several gambling payments as disputes, so Mr E felt it was clear to Monzo he was struggling to stop gambling.

He also believes the transactions were only accepted because the merchant website used an incorrect merchant categorisation code ("MCC"), thus bypassing the gambling blocks he had in place. As such he believes he should be able to request a chargeback via

Mastercard. He says if they had used the correct MCC the transactions would have been blocked.

Because Mr E didn't agree the complaint has been passed to me to make a 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.

I've carefully read all of the correspondence sent to this Service. That being said, my decision won't address every point or comment raised. I mean no discourtesy by this, it simply reflects the fact our Service is an informal dispute resolution service, set up as a free alternative to the courts. So, in deciding this complaint I've focussed on what I consider to be the heart of the matter, rather than considering every issue in turn.

It may help if I start by explaining the role of this service. The Financial Ombudsman Service is an alternative dispute resolution service set up to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. The Financial Ombudsman Service does not fine or punish businesses, or request that businesses change their processes or practices – that is for the regulator, the Financial Conduct Authority, to consider. So I will only consider here what has happened in the circumstances of Mr E's individual complaint.

Mr E had a gambling block on his card. This block only works, generally, for UK based gambling sites which use the correct merchant code. Unfortunately, lots of overseas sites use a different code, and the gambling block won't stop these payments. I can see Mr E was spending on his card and by faster payment, with overseas sites or transfer companies. I don't think Monzo's card block would stop these payments.

It is clear Mr E raised several disputes about payments he'd made to some of these sites, and he says this should have alerted Monzo to his gambling. I think it did, Monzo reached out to Mr E after some of these disputes to see if he needed help blocking merchants. But Mr E didn't respond to Monzo. I think Monzo did intervene and try and see what further support it could offer to Mr E, in addition to the block he already had in place.

I realise Mr E thinks further intervention was needed, but I don't agree, I think any further intervention would have gone unanswered too. I think Mr E's compulsion to spend was driving his gambling, I don't think Monzo could have stopped this with an intervention.

And I think this is further evidenced by actions Mr E took, like registering with GAMSTOP, then gambling with companies circumventing this block. He's also told us he'd gambled a significant sum during this period of just under a year but not all of it was with Monzo. So I think if Monzo had reached out, and Mr E had blocked some of the merchants he was gambling with, it's very likely Mr E would have found other sites to spend with whether this was with Monzo or a different payment service provider.

Mr E has said Monzo has an obligation to identify vulnerabilities and take proactive action to support him. But I think Monzo did this, it tried to offer support but received no response when he was contacted. I don't think it would be fair to expect Monzo to stop transactions Mr E has authorised unless he asked it to do so.

Unfortunately, I think Mr E needed support in tackling his compulsion to spend but I don't think Monzo could be expected to offer the support Mr E needed.

Monzo can and did add a gambling block. Monzo can also offer other blocks and tried to get a conversation going with Mr E, but he didn't engage. I think, in the specific circumstances of Mr E's complaint, Monzo's done what I'd expect it to do.

Mr E has sent in evidence of his spending, and I agree he spent a lot of money with gambling sites. And I have no doubt this excessive spending has had a significant impact on Mr E. But I don't think I can fairly hold Monzo responsible for the money Mr E has spent or the effect this has had on him.

I think Monzo treated Mr E fairly in relation to his spending, it offered support with the gambling block, and when Mr E told it he'd been gambling again it reached out to intervene, but this offer wasn't taken up.

I've also thought about his concerns regarding the merchants using the incorrect MCCs and whether Monzo should have done more here or whether it should have raised chargebacks for him.

Mr E has confirmed that at the time he was making these payments he was aware that he was using gambling websites and that the transactions he was making were gambling transactions. So, I am satisfied that he received the services (in this instance, bets and linked gambling transactions) he was paying for.

However, Mr E has pointed out that the only reason he was able to do this was because the MCCs attached to those transactions were listed as something other than gambling, which meant the blocks and safeguarding measures he had put in place didn't work as intended.

I think Mr E is saying that the Mastercard rules allow him to make a chargeback claim he believes the rule can be applied in scenarios where merchants misrepresent themselves and use incorrect MCCs in order to circumvent gambling blocks.

In order to understand the designed purpose of that rule, and whether or not it could be applied to claims such as the one Mr E attempted to make, our service has contacted Mastercard directly.

In its submissions to this service, it confirmed that there are no chargeback rights for any sort of gambling transaction, such as the ones Mr E made, and that the rule relating to "transaction laundering" would not be applied in circumstances where an incorrect MCC has been used by a merchant in this way.

It further clarified that the onus sits with the acquirer to ensure that merchants are using the correct codes to identify themselves and so I believe that there are no charge back rights in the circumstances set out in Mr E's complaint. It's also clarified if the payment service provider had submitted the chargeback request, on similar grounds to what Mr E wanted it to, the claim wouldn't have been successful.

Mr E has also referenced other decisions made by different Ombudsman, however we look at each case on their own individual merits, so I can only consider what happened in relation to Mr E's complaint.

I do have a lot of sympathy for Mr E and what he has gone through. He proactively added a number of safeguarding measures to try to protect himself from foreseeable and genuine harm. That the sorts of protections available to problem gamblers in this space are so easy to circumvent is very frustrating. However, I can't agree that Monzo made an error when it refused to place a chargeback claim for him and I'm satisfied that the Mastercard rules he wanted to rely on weren't intended to be used in the manner he wanted to use them. And I'm

satisfied that under those rules his claim would have been declined.

I realise this will come as a disappointment to Mr E, but I can't fairly say Monzo failed to intervene in Mr E's spending, because I think it did. And because of this, I don't think Monzo acted unfairly when dealing with the issues Mr E has complained about.

My final decision

For the reasons mentioned above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 26 February 2026.

Jag Dhuphar
Ombudsman