

The complaint

Miss A complains that Monzo Bank Ltd (Monzo) failed to identify the compulsive gambling on her account. She thinks they should have intervened and prevented her from making the payments.

What happened

Miss A started gambling on her account in late 2024. She contacted Monzo in November 2025 to complain that she'd been gambling compulsively, and they should have investigated her activity considering her age and low income. Monzo responded quickly and a gambling block was placed on the following day. Monzo also offered to remove the ability for Miss A to deactivate the gambling block, but she didn't respond.

Monzo responded to the complaint explaining that it's Miss A's responsibility to manage her money and they don't proactively monitor individual spending. They were satisfied that they hadn't made an error and placed the gambling block in a timely manner once they were notified of Miss A's situation. Miss A remained unhappy, so she referred the complaint to our service. She felt that Monzo should have intervened with her spending, particularly as it was funded using a student overdraft from another account she holds.

An Investigator reviewed the complaint, they reiterated that Monzo aren't expected to monitor individual payments and there were no signs of fraud or suspicious activity. They also explained that Monzo wouldn't have known that incoming payments were from an overdraft, and they responded appropriately when Miss A made them aware of her spending.

Miss A disagreed with this as it failed to recognise that she was a vulnerable young customer and they didn't carry out their obligations to support her vulnerability which includes affordability assessments. As such, the complaint has been passed to me for 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 appreciate Miss A feels strongly that Monzo should have done more. While I've taken the comments from both parties on board, I'll be addressing the points that I think are key to the outcome.

In accordance with the Payment Services Regulations, Monzo is expected to process the payments and withdrawals that Miss A authorises it to make. Broadly, Miss A is entitled to spend her money as she chooses, and this includes making gambling transactions. Most banks don't monitor accounts for gambling transactions, so a bank won't ordinarily know its customer has a gambling problem unless the customer tells it, or if the account is manually reviewed for some other reason, such as if its customer has requested lending or shown clear signs of financial difficulty.

There aren't any rules or regulations that require Monzo to place extra transaction monitoring on an account to identify gambling transactions due to Miss A being a young adult. Instead, the expectation is that she is able to manage her own spending.

Before I can consider whether Monzo responded appropriately to Miss A's addiction, I need to take into account when they would have been aware of this vulnerability. Miss A has argued that Monzo should have treated her differently due to her circumstances, but they would first need to be aware of these circumstances.

I can see that Monzo acted quickly to ensure that appropriate spending controls were placed on the account after Miss A made them aware that she was gambling compulsively, they also signposted her to relevant organisations that can support her. I think they handled this situation reasonably to prevent further harm.

Should Monzo have noticed something sooner?

As Monzo aren't expected to spot individual gambling transactions and there is no evidence of Miss A requesting lending from Monzo, this will come down to whether the account showed clear signs of financial difficulty that warranted a manual review.

I've reviewed the statements and while there were transfers in from other accounts, there were also transfers out to other accounts in Miss A's name. The account looked to be used for day-to-day activity and while gambling was present, it was within a mix of incoming and outgoing payments. Overall, the account showed no signs that the way it was being used was becoming unmanageable and Monzo wouldn't have known the overdraft from another account was being used to top up the balance.

While it's unfortunate to see that Miss A is now struggling financially due to compulsive spending, gambling isn't illegal or fraudulent, and the presence of gambling transactions doesn't mean that someone is addicted or unable to manage their spending. I can't reasonably say that Monzo should manage a customer's spending for them, and I can't see any evidence that should have led Monzo to notice that Miss A needed help controlling the account activity.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 16 March 2026.

Chris Lowe
Ombudsman