

The complaint

Mr L complains that NewDay Ltd trading as Aqua (“Aqua”) failed to raise chargebacks for multiple gambling transactions he made. Mr L also complains that Aqua failed to offer support to him as a vulnerable customer.

What happened

Mr L complained to Aqua in October 2025 as he had been able to gamble extensively to overseas gambling merchants using his Aqua credit card. He said there was a ban on UK credit cards being used for gambling, and that Aqua failed to prevent these from going through and failed to protect him as a vulnerable customer as there was an obvious pattern of rapid repeated deposits which they failed to identify.

Aqua didn’t uphold Mr L’s complaint. They said they couldn’t raise a chargeback for the transactions in dispute as these had been processed outside of the UK.

Mr L remained unhappy and referred his complaint to our service. Our investigator didn’t recommend it should be upheld. She said chargebacks for gambling weren’t permitted under Mastercard chargeback rules. So, she felt Aqua hadn’t done anything wrong by not raising a chargeback. Our investigator also said Aqua wouldn’t have been able to identify the transactions as gambling as the gambling merchant hadn’t classified them as such; rather they had put identified them as ‘digital goods/media games’.

Mr L didn’t agree with our investigator’s view. He said Aqua should have spotted he was making frequent transactions to the same merchant in high volume over a short period. He also said Aqua were aware he had issues with gambling and didn’t treat him fairly as a vulnerable customer. And Mr L said the issue wasn’t whether a chargeback was guaranteed to succeed, but whether it was reasonable for Aqua to refuse to raise one at all or refuse to consider alternative remedial action.

Our investigator wasn’t persuaded to change her view. So, Mr L’s complaint has been passed to me for a 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’m aware I’ve summarised the events of this complaint. I don’t mean any discourtesy by this – it just reflects the informal nature of our service. I’m required to decide matters quickly and with minimum formality. But I want to assure Mr L and Aqua that I’ve reviewed everything on file. If I don’t comment on something, it’s not because I haven’t considered it. I’ve concentrated on what I think are the key issues, which our powers allow me to do.

In April 2020, the UK Gambling Commission banned gambling retailers (at least those who are regulated by the commission) from accepting payment from credit cards. The ban was placed on merchants and not credit card providers, but most providers added a block to their

products to stop them from being used in this way. The block is essentially an algorithm that searches for the gambling Merchant Category Code (MCC) and any time an attempted purchase has that specific code attached to it, it will block the transaction and refuse payment.

Mr L initially contacted Aqua asking them to raise chargebacks for the transactions he was allowed to make to an overseas gambling merchant. The relevant card scheme operator here was Mastercard. Our service has directly contacted Mastercard about scenarios where merchants and/or their acquirers/payment processors have used incorrect MCC's to mask gambling transactions, which is what Mr L has alleged. Mastercard has directly confirmed to us that there are no chargeback rights for any sort of gambling transactions, such as the ones Mr L made, and there are no chargeback codes applicable where incorrect MCC's have been used for gambling transactions. They further clarified that the onus sits with the merchant acquirer to ensure that merchants are using the correct codes to identify themselves as a gambling merchant. Mastercard also confirmed to us that, had a firm such as Aqua submitted a chargeback request in circumstances such as Mr L's, this wouldn't have been successful had this been sent to them to decide.

With the above in mind, I don't think Aqua acted unfairly by not raising a chargeback for these transactions. So, I won't be upholding this part of Mr L's complaint. I'm aware that Mr L has made successful chargeback claims with another firm. However, that was a decision made by that firm. That doesn't mean Aqua were bound to do the same though.

I've also thought about whether Aqua should have noticed that gambling transactions were being made and that they failed to offer Mr L any help or support as a result.

I should start by saying that credit card accounts aren't actively monitored by people anymore. Firms such as Aqua tend to rely on algorithms to identify risk to an account and the account holder. Those algorithms are mainly designed to look for things like evidence of financial harm, such as missed payments, failed payments, customers exceeding the credit limits on the account or customers failing to make anything other than minimum payments for a prolonged period.

I've looked at the account statements Mr L sent to us. While these show Mr L was regularly using his credit card account to gamble, the credit limits were never exceeded at any point and, in some months, the balance of the account was below the credit limit by quite some way. In addition, the credit limit had been approved by Aqua and so Mr L was entitled to use it, without it necessarily alerting Aqua to him experiencing harm. And because Mr L was fully authorising all transactions he made to the gambling merchant, there was nothing to indicate there might be a risk of fraud or scam. Which means no-one in Aqua would have been automatically aware that Mr L was using the credit card in the manner he was.

I can only uphold this part of Mr L's complaint if I think Aqua failed in its obligations to provide him support having identified him as vulnerable. And even though Mr L was genuinely vulnerable and in need of support I can't fairly conclude there was anything on the account that would have alerted Aqua to that fact. So, I can't uphold this part of Mr L's complaint.

I of course appreciate the impact this matter has had on Mr L. However, I can only assess whether I think Aqua were wrong not to raise chargebacks or failed to protect him as a vulnerable customer. And overall, I don't think there was a failing on the part of Aqua in respect of those issues.

I realise my decision will be very disappointing for Mr L. But I hope he understands why I've reached the outcome I have.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 17 April 2026.

Daniel Picken
Ombudsman