

## The complaint

Mr B complains that Monzo Bank Ltd (Monzo) won't refund the money he lost when he used a non-UK gambling site.

## What happened

The detailed background to this complaint is well known to both parties and the following is a summary of what happened.

On 10 July 2025, Mr B visited the website of Casino S (a non-UK casino) to undertake gambling activity, making 46 payments (listed in our investigator's view that was sent to him on 29 August 2025) in a 24-hour period, using his Monzo card. His spending with Casino S was £5,472.76.

Mr B believes that Casino S shouldn't have accepted him as a customer. He considers that they are in breach of responsible gambling standards and consumer protection expectations, as they didn't check his identity or carry out 'know your customer' checks, which the Gambling Commission (UK) and Citizens Advice say can be grounds for a refund.

So, he immediately requested a refund from Casino S and, when they refused, he contacted Monzo requesting a refund, via chargebacks or other means, as the payments were made from his account with them.

In addition to his above mentioned standard and protection reasons, he highlighted that the transactions on his statements showed several different payee names to that of Casino S, so he thinks:

- A. *'No gambling service was ever received'*.
- B. *It 'Suggests a lack of ethical processing'*
- C. *It 'Raises potential red flags regarding the merchant's payment handling practices'*.
- D. *It 'Raises transparency concerns'*.
- E. *It 'Could indicate an intentional effort to bypass gambling blocks or scrutiny'*.

And Mr B considers he's a victim of fraud or financial crime.

For these reasons and Monzo not having intervened on such a high velocity of payments, he expected a full refund. But he only saw refunds on 5 of the 46 payments. Although Monzo rejected his complaint, Mr B can't understand the partial refunds and thinks there must be an inconsistency as Monzo say they *'don't have chargeback rights in this type of dispute with these types of merchants'*, and the other 41 payments were for exactly the same gambling activity and processed by the same false payees.

Also, Mr B considers himself to be a vulnerable customer, due to his gambling addiction, and he feels the level of service (lack of refund clarity and duplicate requests) was poor and added to his distress.

When Mr B escalated his complaint to our service, Monzo accepted their service was poor and offered him £120 compensation. Mr B rejected this and after considering Monzo's offer, our investigator didn't think Mr B had been scammed or that Monzo needed to do any more.

Mr B remains dissatisfied and his points, when asking for an ombudsman review, included the following:

- There are legitimate chargeback grounds as he never received what he paid for, and the transactions were cloaked in deception.
- Casino S deliberately masked the transactions to 'evade detection by banks' or 'bypass self-exclusion protections' or 'mislead consumers about the true nature of the merchant'. And Monzo's system should've picked this up. Also, it adds further weight to his 'assertion that the merchant was acting dishonestly and with intent to deceive'.
- Due to the velocity of payments, which Monzo had visibility of and vulnerable customer safeguarding responsibilities, they should've intervened, raised a flag, or contacted him. And Monzo themselves acknowledge that they should have intervened at payment 20.
- The £120 Monzo have offered for poor service is insulting considering the level of distress caused.

**I issued a provisional decision on 12 February 2026, and this is what I said:**

*I've considered the relevant information about this complaint.*

*My provisional decision is the same non-uphold outcome as that reached by our investigator. But as I made further enquiries about the refunds and have included some new information, I'd like to give both parties an opportunity to respond.*

*The deadline for both parties to provide any further comments or evidence for me to consider is 26 February 2026. Unless the information changes my mind, my final decision is likely to be along the following lines.*

*If I don't hear from Mr B, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.*

*What I've provisionally 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, although I'm very sorry to hear about Mr B's distress, I've reached the same outcome as our investigator, for broadly the same reasons.*

*In deciding what's fair and reasonable in all the circumstances of the complaint, I'm required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and where appropriate, what I consider to be good industry practice at the time.*

*Where there is a dispute about what happened, I will reach my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence.*

*In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Service Regulations and the terms and conditions of their customer's account. However, where the customer made the payment as the consequence of the acts of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse them, even where they authorised the payment.*

*Having considered all the information on file and researched Casino S and practices of overseas gambling companies, even though the payee that appeared on his statement was disguised not to show as Casino S, I'm satisfied that Mr B did authorise payments for gambling services with Casino S. And, although Casino S appears not to adhere to UK regulatory standards, I don't consider them to be a scam or fraudulent casino.*

*Whilst I'm not persuaded Mr B was scammed here, I considered the consumer duty and relevant regulations which say that Monzo should be on the lookout for unusual and out of character transactions which show that their customer may be at risk of fraud or financial harm.*

*Even if I were to find that any of the transactions were so unusual or out of character that Monzo ought to have contacted Mr B, I'm not persuaded they could've stopped him spending money on gambling – when it would've likely only have been at that stage that they realised the payments were disguised. I say this because it appears that he was ultimately in receipt of a service as intended and, as he appears to have sought a non-UK company to circumvent his prevention method and not utilised the Monzo gambling app block, I think it more likely than not that this is what he would have told Monzo, if they had called him.*

*Regarding Mr B's refund expectation through chargebacks, I'm satisfied that Monzo are correct in saying there are no chargeback rights for gambling transactions. I say this because:*

- *Mastercard restricts chargebacks for authorised gambling transactions, as they consider the service rendered, making losses from voluntarily played games not disputable. And chargebacks are not intended for reversing voluntary gambling and gambling outcomes.*
- *Although I appreciate Mr B's suspicions and concerns over disguised payments:*
  - *This practice of disguising payments (transaction laundering) isn't uncommon for gambling companies outside the UK. It is done to bypass debit and credit card blocks as these payment methods are integral for their transaction flows.*
  - *Mastercard has confirmed there are no chargeback rights for transaction laundering.*
  - *Monzo has logged and reported the merchants to Mastercard.*

*As Monzo said there are no chargeback rights, I can fully understand Mr B's confusion when seeing some refunds. When I queried this with Monzo they explained that:*

- *Mr B received a total of 6 refunds.*
- *2 of the 6 were linked to the 46 disputes and, as they made an error in raising these (because there were no chargeback rights), these would be reversed.*
- *4 of the 6 were sent directly from the merchant, presumably because Mr B complained to Casino S.*

*So, having considered recovery through chargebacks, although I appreciate Mr B will remain concerned about the practice of companies not regulated in the UK and may disagree with the chargeback rules, I can't see that Monzo made any error in their application of 44 of the 46. Regarding the 2 errors they did make, Monzo took this into consideration when offering £120 compensation for poor service (lack of clarity and causing confusion) which I think is fair and reasonable.*

*Mr B has provided information about gambling companies, standards and regulation but my role here isn't to investigate gambling websites. I'm only looking at Monzo's responsibilities and if they could have done anything different to identify if the payments presented a risk of financial harm, or if they could have done anything differently in helping to recover the payments once Mr B had contacted them.*

*Finally, I looked at Mr B's distress over the service that Monzo accept was poor. Although I recognise Mr B wanted to recover the large amount of money he had spent and Monzo's error (explained above) raised his hopes and caused him frustration, having considered all the above together with our awards approach and published guidance for customers, I think their £120 offer (which I presume is still available should Mr B wish to accept it) is both fair and reasonable.*

*So, having considered all the above, I'm sorry to disappoint Mr B but I'm not persuaded that he was the victim of a fraud or scam and that a Monzo intervention would've stopped him making further gambling payments. Also, I can't agree that Monzo made an error when they refused to place a chargeback claim for him and I think their compensation offer is fair for their service errors.*

*My provisional decision*

*For the reasons mentioned above, my provisional decision is not to uphold this complaint against Monzo Bank Ltd.*

*This is subject to any comments that either Mr B or Monzo Bank Ltd may wish to make.*

*These must be received by 26 February 2026.*

### **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.

Further to my above provisional decision with a deadline of 26 February 2026:

- I didn't receive a response from Mr B
- Monzo responded just to say that their £120 compensation offer is still available should Mr B wish to accept it.

So, as no further arguments or evidence have been produced in response to my provisional decision my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

### **My final decision**

For the reasons mentioned above, my final decision is that I'm not upholding this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 March 2026.

Paul Douglas

**Ombudsman**