

The complaint

Mr O complains that Monzo Bank Limited decided not to refund him the money he lost through a scam.

What happened

In June and July 2025, Mr O made several payments to two online gambling websites using his Monzo debit card. These online casinos allowed deposits, betting and withdrawals in cryptocurrencies. Mr O began to suspect that he had been scammed when he was unable to withdraw his reported winnings on 31 July.

The payments amounted to just over £8,828 and were as follows:

Payments	Date	Made to
1	£213.85	Casino A
2	£427.70	
3	£855.40	
4	£855.40	
5	£641.55	
6	£641.45	
7	£432.30	
8	£432.30	
9	£432.30	
10	£432.30	
11	£518.76	
12	£432.30	
13	£431.75	
14	£169.42	Casino B
15	£1,042.56	
16	£868.80	

Mr O asked Monzo for help in recovering the payments he made to the casinos. Monzo can ask the card schemes, Mastercard in this case, to refund payments under certain circumstances, for example if goods or services were paid for but not supplied. Monzo decided not to ask Mastercard for a refund because Mr O had been able to gamble albeit he later had problems with withdrawals. Monzo concluded that this wasn't a case of fraud but a civil disagreement between Mr O and the casinos. Monzo also said that it spoke with Mr O on 2 July 2025 about a payment it had blocked, and warned him about scams.

Mr O wasn't happy with this response and referred a complaint to us in August 2025.

One of our investigators reviewed the complaint but didn't recommend it be upheld. They concluded that there wasn't sufficient evidence to show that the payments Mr O made were lost to a scam, and so Monzo hadn't erred by not offering a refund.

Mr O disagreed with this recommendation and asked for his complaint to be passed to an

ombudsman, and it came to me.

Mr O acknowledged that he and Monzo spoke on 2 July about a card payment he was attempting to make to Casino A, and that the bank warned him about the risk of fraud. Mr O said that he wasn't asking for a refund of the payments he made to Casino A on 9 July therefore, but wished to have a refund of the payments he made on 30 June, before Monzo had provided a warning, and the payments he made to Casino B on the 30 July.

I've focussed on the payments Mr O made to the online casinos on 30 June and 30 July 2025 when considering this complaint.

I sent out a provisional decision on 31 March 2026 to explain why I didn't plan to uphold Mr O's complaint and to share the information I'd relied on with both parties. Monzo agreed with my decision but Mr O didn't, and sent me further comments to consider when making my 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.

Having considered Mr O's further comments, alongside everything else, I have decided not to uphold his complaint. I appreciate that will be very disappointing for him, and I'll explain how I reached that outcome in this final decision.

I said the following in my provisional decision:

"In deciding what's fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice and, where appropriate, what I consider to have been good industry practice at the time.

It's not in dispute that Mr O authorised the payments in question using his Monzo account debit card. When Mr O made his payments in 2025, there was a mandatory requirement in place for UK Payment Service Providers to reimburse their customers who become victims of fraud through making authorised payments from their bank accounts in some circumstances. The reimbursement requirement covered payments made using the Faster Payments system. Unfortunately for Mr O, the requirement doesn't apply in his case as he made the payments by card.

In broad terms, the starting position at law is that a bank such as Monzo, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account.

However, this doesn't mean that Monzo cannot bear any responsibility for what might have happened to Mr O. Banks have a regulatory responsibility to conduct their business with due skill, care and diligence, and to pay due regard to their customers' interests and treat them fairly. Banks also need to take steps to reduce the risk that their systems might be used to further financial crime. In practice, this means keeping customers' money safe and taking steps to prevent financial harm.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr O when he authorised the payments in question or whether it could, or should, have recognised that he was at risk of financial harm.

Monzo provided statements for Mr O's account, the call recording from 2 July 2025 and other contact records. Mr O provided screenshots of Casino B showing his winnings and his withdrawal requests, amongst other information.

Should Monzo have recognised that Mr O was at risk of financial harm when he made the payments on the 30 June and the 30 July 2025?

My first consideration is whether Mr O fell victim to a scam perpetrated by the online casinos and incurred a loss. As mentioned, Monzo said that this matter wasn't one of fraud but rather a civil disagreement between Mr O and the businesses.

Mr O made six payments to Casino A on 30 June amounting to just over £3,635. He made three payments to Casino B on 30 July amounting to just over £2,080. He said he had problems withdrawing his balance, and made repeated withdrawal requests on 31 July until his access was eventually blocked. Mr O alerted Monzo the same day and asked for help with a refund.

Mr O hasn't told us whether he won any bets from the payments he made to Casino A, whether he made any withdrawals from his account with this website, or whether he had any problems doing so. He has provided screenshots of his account with Casino B dated 31 July 2025, which show a balance of €6,000 and unsuccessful withdrawal attempts.

Mr O said that Casino A and B are linked, and he provided screenshots to show he received the same email from the same sender from both websites. Mr O also said that online reviews of both casinos were mostly negative and echo his experience, and that Casino A's website was no longer available.

It does seem from the evidence provided that Mr O had difficulty making withdrawals from his account with Casino B, and that he wasn't the only person to complain about this. However, this alone doesn't evidence that either casino was a fraudulent operation, and that Mr O was tricked into parting with his money with no prospect of any account balance ever being returned to him. Cryptocurrency casinos aren't fully regulated in the UK and might not be registered with the gambling commission. But, again, this doesn't automatically mean these entities were operating a scam.

I've borne in mind that not all complaints that are referred to us as a scam actually involve one. Some cases involve high-risk investments or gambling that resulted in disappointing returns or losses, some involve imprudent business practices. While Monzo had a responsibility to protect Mr O from fraud, this didn't extend to protecting him from losing money through gambling even if he did so through unregulated sites.

I appreciate that will be very disappointing for Mr O, but I haven't seen enough evidence to support that these payments were lost to a scam. I can't therefore hold Monzo responsible for not identifying these as scam-related and that Mr O was at risk of financial harm when he made them.

Mr O told us that he attempted to make payments to Casino A from an account he held with another high street bank, but these were flagged and declined under its gambling protections. Mr O said that this shows that Monzo's protections were insufficient. As Mr O will appreciate, different banks have different approaches to risk, and different relationship histories with their customers. I can't draw any conclusions from what happened when he attempted to make payments using his other bank account, but I can consider what action Monzo took.

What action did Monzo take?

Even if I concluded that Mr O had lost out because of a scam, I would still need to consider whether Monzo should have intervened in any of the payments he made on 30 June and 30 July and, if so, what most likely would have happened.

Monzo did intervene with Mr O's payments - it stopped a payment of €1,000 leaving Mr O's account on 1 July, and spoke with him about the payment the next day. Mr O had been in contact with Monzo about the block on his account via its online chat, and was expecting a call.

On the call, Mr O told Monzo that he'd made tens of thousands through investing in cryptocurrencies before; this payment was to Casino A, and the site had been recommended to him by a long-standing, good friend who had made withdrawals from there. Mr O said that he used the site as a holding facility for his cryptocurrency, as well as using it to gamble. He said he transferred any winnings from the online casino to a well-known custodian wallet.

Monzo discussed online casinos with Mr O and the process of making and withdrawing payments in detail. It then warned him about scams and bank restrictions related to cryptocurrency, and said that cryptocurrency gambling sites were unregulated. It asked Mr O to send it screenshots to evidence that both the online casino and the wallet account were in his name, which he did.

The call handler also asked Mr O about his gambling – whether he was in control of it, and whether he'd taken out a recent loan from Monzo to fund investing or gambling. Mr O said he was in control of his gambling, and that he'd used the loan to purchase flights. At one point in the call, Mr O commented that he was being asked really prying questions, and the call lasted about half an hour.

It seems to me that Monzo carried out a reasonable and appropriate intervention here. It asked Mr O probing questions about the payment, the reason behind it and how the whole process worked. Mr O was able to answer all these questions. Monzo also discussed the wider context of the payments, and gave Mr O tailored scam warnings.

When Mr O brought his complaint to us, he said that he believed that Casino A was genuine, and that he continued to do so after the call with Monzo on 2 July. He went on to make further payments to the site on the 9 July, and to Casino B on 30 July.

It is difficult to conclude that things would have turned out differently had Monzo stopped any of the payments on 30 June or 30 July and spoken with Mr O about them in the same depth, and provided scam warnings. Mr O was able to explain in detail what he was doing, and that he was familiar with online casinos and cryptocurrency.

I think it's unlikely that such a discussion would have changed Mr O's mind about making the payments, or that Monzo would have been concerned that he was at risk of harm from a scam. Monzo is required to process payments promptly without undue delay, and I don't think it treated Mr O unfairly by doing so in this case. So, I can't conclude that Mr O would not have lost out but for an error on Monzo's part.

Other considerations

Mr O told us that he was confused and under pressure on the call with Monzo on 2 July, which he found abrupt and intimidating. He also said that Monzo's warnings weren't effective in his circumstances, which were that he was vulnerable due to his gambling addiction, and that he had an active loan with Monzo at the time and was frightened the bank would close his account if he admitted he'd been gambling on suspect sites.

I can see why, with hindsight, Mr O considers these sites suspect but it is difficult to conclude that he did so at the time as he continued to make payments to the sites throughout July. On the call, Monzo brought up the subject of the recent loan, and asked Mr O what he'd spent the money on. Mr O said he didn't spend the money on gambling but on other payments, specifically he used it to pay for flights. I understand that Mr O took out a loan from Monzo on 30 June and repaid it in full on 12 July 2025.

Let me say at this point that I am really sorry to hear of Mr O's struggles with his spending, and that he's found this whole experience so upsetting. Monzo said that Mr O hadn't spoken with it about his gambling before, and it messaged him twice about this after the call on 2 July (on that day and on 12 August) and offered to signpost him to specialist advice. Mr O didn't respond, and so Monzo's vulnerability specialists didn't provide further assistance or support. I hope things are easier for Mr O now and he has access to support should he need it.

Mr O put a gambling block on his account on 12 July 2025. He said that Monzo's systems should have prevented the subsequent gambling transactions, specifically those he made on 30 July to Casino B.

Monzo said that card transactions have a merchant category code that identifies the type of business the transaction is with. The gambling block works by blocking transactions that contain a gambling merchant code however, these codes are applied by the merchant and not the bank. This means that if a customer makes a transaction that doesn't have a code linked to gambling, the bank wouldn't be able to block the transaction.

The payments Mr O made after the gambling block was applied did not use the gambling code. In this case, it wouldn't be reasonable for me to hold Monzo responsible for not automatically blocking these payments.

Monzo's website explains how the gambling block works, and advises customers to let it know if a gambling transaction isn't blocked so it can block that merchant if possible or provide other support. I understand that Mr O didn't get in touch with Monzo about his payments to Casino B until he experienced problems making withdrawals.

Could Monzo have recovered Mr O's money?

I have considered whether Monzo could have recovered Mr O's money when it learnt of his difficulty with withdrawals. As mentioned, card issuers such as Monzo can request refunds or 'chargebacks' from the card schemes in specific circumstances. The chargeback process is voluntary, which means that issuers don't have to request a refund and customers don't have a right to ask for one, unlike with payments made using a credit card for example. The rules governing these requests are made by the card schemes, and ultimately it is the scheme's decision whether to allow a refund.

Monzo didn't ask Mastercard for a refund in this case because it said the circumstances under which Mr O lost his money were not provided for in its rules. It said that Mr O had been able to place bets and so the casinos did provide him with a service. Mr O said that while he was able to place bets, he wasn't able to withdraw his winnings, and so he doesn't feel he did in fact receive a service.

I appreciate Mr O's strength of feeling on this point, and I have considered what Mastercard's rules say about these circumstances. This will be disappointing for Mr O, but chargebacks are not offered for withdrawal requests, amongst other instances, but only

where purchased assets fail to materialise in the account. So, a refund request was unlikely to succeed, and I can't find that Monzo was at fault for not pursuing this.

In summary

Having considered everything both parties have said, and all the evidence provided, I haven't concluded that Mr O fell victim to a scam, which Monzo ought to have prevented. I have found that, even had Monzo intervened in the payments Mr O made on 30 June and 30 July, it would not have uncovered a scam or considered that Mr O was at risk of financial harm, and Mr O wasn't likely to change his mind about making the payments.

Altogether, I can't hold Monzo responsible for any loss Mr O has incurred through making these payments, and I am not planning to uphold his complaint against Monzo Bank Limited."

Mr O's response to my provisional decision

Mr O said he understood our position regarding the classification of this matter as not meeting the threshold of a scam. However, this wasn't his only concern.

Mr O said that it was reasonable for a customer to expect that activating a gambling block would prevent gambling-related transactions in practice, and not only in cases where a specific merchant category code is correctly applied. This is a technical limitation that is not necessarily apparent to a customer. Mr O also said that it was speculative of me to conclude that he would have proceeded with further payments regardless of any additional intervention by Monzo.

As I explained in my provisional decision, while I acknowledged the harm caused to Mr O by making (all of) these payments, I couldn't say the harm was caused because of an error on Monzo's part. Gambling blocks are imperfect tools and unfortunately there are gambling websites that misidentify themselves, resulting in payments not being caught by blocks such as the one Monzo, and other banks, offer. It would be unreasonable of me to hold Monzo responsible for a gambling website not using the correct merchant code. Monzo recognises that its gambling block is technically limited, and expressly says so, so I can't say that Mr O didn't have the information he needed about how the block worked and its limitations.

Mr O says that activating a gambling block on 12 July 2025 ought to have alerted Monzo to the heightened risk posed to him by the payments he attempted to make after that date. And that it wasn't reasonable of me to assume that further friction or intervention would have had no impact on his actions.

As I'd said in my provisional decision, I think Monzo intervened appropriately by speaking with Mr O on 2 July 2025, and it discussed that payment and his circumstances in depth with him. Of course, there is no way of knowing for certain how Mr O would have reacted to a further intervention, and so I have to make my decision about that on the basis of probability – what I consider most likely would have happened. And, based on what happened with the intervention on 2 July, notwithstanding that Mr O had since applied a gambling block, I think it's most likely that he would have continued with the payments later that month.

Let me say again that I am very sorry that Mr O has struggled with his spending patterns, and has been impacted financially and emotionally by making these payments. Having carefully considered the matter again, including what Mr O said in response to my provisional decision, I remain of the view that his complaint should not be upheld.

My final decision

For the reasons I've explained, I am not upholding Mr O's complaint against Monzo Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 19 May 2026.

Michelle Boundy
Ombudsman