

The complaint

Mr C is complaining that Capital One (Europe) plc (Capital One) failed to block gambling transactions on his account.

What happened

Mr C took out a credit card with Capital One in 2020 and in October 2025 he disputed three gambling transactions that were made using the credit card.

Capital One considered his complaint but didn't think it had acted unfairly. Unhappy with its response Mr C referred the case to this service.

Mr C has been quite specific about his complaint and has said he is only complaining about Capital One allowing the transactions to go through. He says that from April 2020, the Gambling Commission stopped all UK consumers from funding gambling using credit cards. He believes this ban applies regardless of whether the gambling operator is UK based or offshore. And says the burden of enforcement lies with the card issuer, not the merchant.

Given this he says that Capital One failed in its duty to block the gambling transactions as set out by the Gambling Commission and the Financial Conduct Authority (FCA). Mr C has been clear that this is the only point he wishes this service to consider.

One of our investigators considered the case but didn't agree that Capital One had acted unfairly and so didn't ask it to do anything further.

Mr C was unhappy that our investigator hadn't recognised that Capital One failed in its regulatory duties. So, he asked for a decision – and the complaint's been passed to me.

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 done this, I issued a provisional decision saying:

“Mr C has been specific about his complaint and clear that he doesn't want us to consider other aspects referred to such as the chargeback. So, I will confine my decision to his complaint regarding the ban on payments for gambling being taken using a credit card.

I think it would be helpful to set out here that the Gambling Commission only regulates gambling operations in the UK by businesses it's issued licences to. It does not have any jurisdiction over UK financial services, including the operation of credit cards.

In April 2020, the Gambling Commission set out in its Licence Conditions and Codes of Practice (LCCP) that its Licensees (those licensed to operate gambling facilities in the UK) must not accept payment for gambling using a credit card.

This new provision put the onus on the merchant offering the gambling facility to ensure that it wasn't taking payment using a credit card. There was no obligation under this provision on credit providers to prevent such transactions. There is also no other obligation set out by the UK credit providers regulator – the FCA – to prevent gambling transactions, whether they were categorised correctly by the merchant or not.

Although they weren't obliged to, once the ban set out by the Gambling Commission went live, most major credit card providers (including Capital One) applied a block on gambling transactions. This block will only be effective where the merchant uses the correct category code for the transaction, enabling the bank to recognise it as gambling. Where the merchant uses the incorrect category code, there is no obligation on the credit provider to identify this in some other way.

Capital One has confirmed that the merchant in this case categorised the transactions as 'gaming/digital services' so the transactions weren't stopped by the block. Mr C has also said that the merchant isn't licenced to offer gambling operations in the UK, which would explain why it took payment from a credit card.

I appreciate that Mr C is unhappy that the transactions went through. However, having reviewed everything available, I don't think there's more Capital One needed to do here.

I say this because there's no regulation setting out that credit card providers must prevent gambling transactions. Capital One would usually only have been expected to take some sort of action, where it believed it was at risk of causing Mr C avoidable foreseeable harm or a vulnerability had been identified. Potential harm and vulnerability are normally identified by there being signs of financial difficulty on the account or the customer letting a business know there is a problem or particular vulnerability. In which case Capital One would be expected to provide the customer with the appropriate support. Having reviewed the account notes and history, I haven't seen anything to suggest that Mr C was in financial difficulties or that he asked for help. I can see that Capital One took steps to ensure the transactions were genuine, and Mr C confirmed they were. It's also said that aside from the gambling block in place and the option to prevent cash withdrawals there is little else it can do to prevent other transactions. So, based on what I've seen, I'm not persuaded that the conduct of the account, communications with Mr C, or anything else, meant Capital One should have done more here.

I understand Mr C feels strongly about this. But on the evidence available, I can't reasonably say that Capital One should have automatically prevented the transactions. After all, gambling isn't illegal and it isn't for Capital One to ensure the merchants Mr C deals with are properly licenced. I also don't think there were any obvious signs that allowing Mr C to continue using the credit card would cause harm. I understand Mr C thinks Capital One should have done more. But, as I've explained, I think Capital One have acted fairly given the circumstances. So, I can't fairly say Capital One has acted unreasonably or failed to do what is expected in this case."

Capital One didn't respond to my provisional decision. However, Mr C responded with a number of points. I've carefully reviewed these, but my decision remains unchanged.

Many of the points Mr C has raised are about whether Capital One should have identified that the merchant wasn't licensed to provide gambling services in the UK, that the way it recorded the transactions obscured their true purpose, or that the merchant failed to provide the service it was offering. I understand Mr C feels strongly about this, but as I already mentioned, there is no obligation on Capital One to ensure that the merchants are properly licensed or to determine what merchant category codes should be used for various

transactions – this is down to the merchant. Capital One did take reasonable steps to ensure the transactions were genuine and so my decision remains unchanged. If Mr C has concerns about how the merchants are conducting business, he may wish to raise this with any regulatory body they subscribe to.

There may be recourse through the chargeback scheme where a merchant has failed to provide a service. I understand Mr C is going through this process with Capital One and the matter has been excluded from this complaint, so I won't comment on this further here.

My final decision

My final decision is that I don't uphold Mr C's complaint about Capital One for the reasons I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 May 2026.

Charlotte Roberts
Ombudsman