

## **The complaint**

Mr C complains that JAJA FINANCE LTD (JAJA) allowed him to make gambling transactions using his credit card after he asked them not to allow these types of transactions.

## **What happened**

Mr C says that since JAJA replaced his MasterCard with a Visa card, he has been able to make gambling transactions with his credit card, which he didn't want to happen. Mr C says that he had a compulsive gambling problem, and so it was important that these types of transactions weren't allowed to go through.

Mr C says he contacted JAJA in February 2021 to request gambling transactions were blocked, however, he says this didn't happen. And as a result, Mr C ended up spending a substantial amount of money using the credit card for gambling.

JAJA explained that any transactions through gambling sites were blocked. But the transactions Mr C had made to gambling websites were done through online payment facilitators and so wouldn't register as a gambling transaction. In April 2021 JAJA offered to block all online transactions on the account. Mr C is unhappy this option wasn't offered to him when he called in February, and says had it been offered, he wouldn't have been able to use the card for gambling.

Mr C also complained about how JAJA dealt with his complaint. He says that he had to contact it a number of times before he received a response.

An Investigator looked into Mr C's complaint, but they didn't think it should be upheld. They explained that the gambling transactions that had been made were done through a payment facilitator which wouldn't have flagged as a gambling transaction. The Investigator also didn't find that JAJA had done anything wrong when it didn't block all online transactions when he contacted it in February 2021.

Mr C didn't agree with the Investigators view. He says JAJA should have explained to him in February that online transactions could have been blocked – and not mentioned this two months later after he had called and emailed them a number of times. He says his initial request was to keep the card open for food purchases and not online transactions. And he feels JAJA did didn't give him the correct information or support.

Because Mr C didn't agree, the complaint has been passed to me to make a decision on the matter.

## **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 all the evidence available to me I've decided not to uphold Mr C's complaint. I appreciate this decision will come as a disappointment to him, however I'll explain my reasons for this below.

JAJA have explained that it doesn't allow gambling transactions to be processed using the credit card. Looking at Mr C's statements for the period in question, I can't see any transactions that are direct to gambling sites. So, it doesn't appear that JAJA allowed Mr C to complete any transaction directly through a gambling website.

Mr C was able to process gambling transactions, however, these appear to have been processed using a payment facilitator. Because the transactions were processed using a third-party payment service to make the transactions, it's unlikely they would have been flagged as 'gambling'. That's because these types of transactions could be used for many different types of purchases. So, I don't find that JAJA did anything wrong by allowing these transactions to go through, as it had no way of knowing they were for gambling.

In order to block online gambling, the transaction itself must be identifiable by its 'Merchant Category Code' (MCC). This is a specific code that is used to identify merchants/sites by the goods or services they provide.

There are many hundreds of category codes which are assigned to particular merchant types or names. In this case, the transactions were likely to have been declared as belonging to a payment facilitator site not a gambling site – and therefore would have had the category code assigned to this type of site. This means that JAJA's block, which is designed to stop transactions that have the relevant gambling MCC attached, didn't recognise the transactions Mr C was making as related to gambling. Which is why they weren't stopped.

This can seriously limit the effectiveness of gambling blocks, but unfortunately is something that is largely beyond the control of businesses like JAJA. It also means that I can't fairly say the block placed on Mr C's card by JAJA failed to work, or that JAJA failed to apply it correctly.

I have taken on board Mr C's point that JAJA could have blocked all online transactions when he called it in February. Unfortunately, JAJA hasn't been able to provide us with the calls Mr C had with it during this time. So, it's difficult for me to know the conversations that took place at the time. But I have seen that Mr C wanted to continue to use the card for other purchases, and so I don't find it unreasonable of JAJA not to have offered to place a block on all online transactions. However, I can see that it did do this in April 2021 at Mr C's request.

I do have sympathy for Mr C's situation. He has clearly tried to take steps to prevent himself from being able to gamble using the card. But when deciding on a fair outcome here, like I have explained, I haven't seen that JAJA allowed direct gambling transactions to be made. I haven't seen any evidence to suggest that the gambling transactions Mr C was able to make ought to have been flagged by JAJA. And I don't think it was unreasonable of it to have not blocked or offered to block all online transactions. So, I can't fairly say that it has done anything wrong.

### **My final decision**

For the reasons set out above, I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 April 2023.

Sophie Wilkinson

**Ombudsman**