Before the Arbiter for Financial Services

Case ASF 288/2025

TX

('Complainant')

vs

MiFinity Malta Limited

(Reg No. C 64824)

('MML' or 'Service Provider')

Sitting of 17 July 2026

The Arbiter,

The Complaint

Having seen the Complaint[1] filed on 19 November 2025, where Complainant holds that in 2023 and 2024 she deposited funds in her MMF payment account (e-wallet) to transfer same to several online gambling platforms.

She claims that the gambling operators were offering illegal gambling service in her country of residence (Germany) and, accordingly, claims that MMF facilitated her losses amounting to €40,395.57.

She made a claim for refunds of her losses which was refused by MMF and, consequently, she filed her Complaint with the Office of the Arbiter seeking an award of compensation for her losses as she claims:

1. The activities of the gambling platform serviced by MMF were illegal in Germany

[1] Pages (p.) 1 – 6 and attachments p. 7 - 77

2. MMF failed their duty of care under the EU's Anti-Money Laundering (AML) regulations
3. MMF refused to take responsibility for not protecting her as a consumer

Reply of Service Provider

In their reply of 24 November 2025, MMF stated:

"*Essentially, the Company confirms that we fully adhere and have applied its regulatory obligations properly and without delay.*

Furthermore, it is important to highlight that the Company is licensed as a payment services provider and electronic money institution under the auspice of the Malta Financial Services Authority (the MFSA) and does not provide gambling services. Furthermore, it does not control or manage gaming operators and does not determine a merchant's licensing in each customer's jurisdiction. The Company merely executes customer-authorised payment instructions. The gaming operator bears the responsibility to ensure it is properly licensed and legally permitted to offer gambling services in the customer's jurisdiction. It follows that the Company has no legal authority to determine the licensing status of every gaming operator worldwide, especially since the said gaming operator has no contractual relationship or any other relationship with the Company.

Consequently, the responsibility for ensuring compliance with local gambling laws, player eligibility, affordability checks, and responsible gaming measures lies entirely with the gaming operator. It follows that the Company cannot investigate merchant-specific gambling losses since the Company is not a gaming operator and that disputes regarding gambling outcomes must be directed to the gaming operator as it is their sole responsibility and not of the Company.

Moreover, the Company would like to emphasise that it cannot assume liability for (Complainant's) losses for the following reasons:

1. *All transactions were initiated and authorised by the customer.*

2. No transaction was unauthorised or executed in error.

3. The Company has no access to, or visibility of, the customer's gambling activity.

4. The Company does not financially benefit from gambling outcomes.

5. Refunds for voluntary payments are legally and operationally impossible.

6. The customer's failure to complete SoW/SoF requirements caused the account restriction.

For these reasons, the company is not responsible and/or liable to refund the claimed sum of €40,395.57 consisting of gambling losses.

Furthermore, the Company would like to further clarify that transaction monitoring was in place and functioning, which is why the account was placed under review. The Company is not required to identify the purpose of every transaction unless objective suspicion arises. In this regard, gaming-related MCC codes (or identifiable gaming operator names) do not automatically trigger AML suspicion under the above-referred laws and regulations. Moreover, gaming operators are the relevant subject person responsible for affordability checks and responsible-gaming compliance and not the Company.

Finally, we respectfully submit that the Arbiter for Financial Services does not have jurisdiction to determine:

- *Whether MiFinity's AML/CFT controls were adequate,*
- *Whether MiFinity's monitoring systems complied with Maltese or EU AML/CFT regulations,*
- *Whether merchants were properly licensed gambling operators.*

For these reasons, we respectfully submit that this complaint is unfounded, unsubstantiated and inadmissible and should therefore be dismissed in its entirety.

The Company remains fully cooperative and available should the Office require any additional formal confirmation."[2]

Decree of 14 May 2026

As Complainant could not commit to attend a hearing for submitting evidence and be available for cross-examination, the Arbiter issued a decree[3] fixing a hearing for week starting 15 June 2026 to be attended by Complainant which may be assisted by a translator as she may wish.

The proceedings were to be conducted in English in terms of legal provisions of Article 25(8) of CAP. 555 of the Laws of Malta.

Hearing of 22 June 2026

During the hearing, the Arbiter made reference to Complainant's email of 19 June 2026,[4] explaining that she will not attend the hearing and insists on written procedure.

Service Provider disagreed to continue the hearing without having an opportunity to cross-examine the evidence through a hearing as provided for in Article 25(2)(3)(a) of CAP. 555[5].

Decision

As Complainant has repeatedly refused to attend a hearing to give evidence and be available for cross-examination, assisted as she may wish by a translator of her choice, and in terms of the provisions of the above referred to Article 25(2)(3)(a) obliging the Arbiter to hold at least one hearing, this case is being dismissed.

[2] P. 83 - 84
[3] P. 86
[4] P. 87
[5] P. 88

Furthermore, the Arbiter declares that his Office is not the proper authority to investigate issues related to AML which is the function of the Financial Intelligence Analysis Unit (FIAU).

Parties are to carry their own expenses of these proceedings

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Alfred Mifsud
Arbiter for Financial Services

Information Note related to the Arbiter's decision

Right of Appeal

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act.