banlist.txt only works in gamespy mode.

The file you want to use to ban players by nickname and/or ip
is wolbanlist.txt which is in your x:\Westwood\RenegadeFDS\Server\
folder.

Follow the examples posted earlier to add players (assholes?) to
it.

edit: Wildcards * dont work in wolbanlist.txt
To ban a specific name you have to put:
SomeStupidNickName:0.0.0.0