

The complaint

Mr D complains that IG Market Limited gave incorrect information on their trading analytics tool which caused him to suffer a financial loss.

What happened

Mr D held a Contracts for Difference (CFD) and spreadbetting trading account with IG Markets Limited. He says he used IG's trading analytics tool to provide him information on his profit and loss on both accounts. He says it displayed incorrect data, showing his account to be in profit when in it was at a loss. In one account, it showed a profit of almost £6,000 when the account ledger showed losses of almost £800. In the other account it showed losses of almost £9,000 when account ledger showed losses of almost £28,000. He relied on this information available in the analytics tool to make the trading decisions which followed. He went on to make losses of around £17,000 in two days.

Mr D says he would not have traded if he had known the true nature of the account losses or that the data was incorrect. He says IG were aware of issues with the analytics tool, but he did not know of it. He holds IG responsible for his losses and complained to them in March 2019. To resolve the complaint, he would like the losses he's incurred on 2nd and 3rd March 2019 to be reimbursed.

IG issued final response in April 2019 saying they accepted the information on the analytics tool was incorrect, but the tool was in its "Beta" stage which is understood to mean their development stage. They say they notified all their customers of this and that Mr D should have compared the data with other sources as the analytics tool was an "indication only". They say they are not responsible for any losses he's incurred as they are a result of the trading decisions he's taken on his execution only account. They didn't uphold his complaint, but they offered £400 compensation as a gesture of goodwill.

Unhappy with this outcome, Mr D brought his complaint to this service. The investigator here upheld his complaint. She wasn't satisfied that IG made clear to him he needed to cross reference the available information. She said the discrepancy in the account data was substantial and was persuaded that it is unlikely he would have traded if the true position of his accounts was known to him. She recommended IG unwind all trades on the 2nd and 3rd March 2019 as well as honour the £400 compensation they'd previously offered in light of the impact this has had on him.

Mr D accepted the investigators view but IG didn't agree, so this has come to me for a 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 done so, I am upholding this complaint and for the same reasons as the investigator. I will explain further.

I think it's important first to outline what my role as an Ombudsman is. It is to impartially investigate the specific complaint brought against IG to reach a fair and reasonable conclusion based on the evidence provided. I am not looking to punish a business where there has been any wrongdoing or to tell a business how to operate. Any concerns about the way a business operates should be taken to the Financial Conduct Authority, which regulates the UK's financial industry.

In their final response, IG accepted there was a problem with their profit and loss analytics not updating to the latest information. I've considered what this has meant for Mr D and the impact this has had on him.

From the first call Mr D made to complain to IG, he has been clear. He based his risk assessment on the information he saw on the profit and loss analytics at that time and made his trading decisions accordingly. He says he has lost money as a result of this as he would not have traded if the true losses on his account were known.

I understand IG's position that the losses Mr D incurred were a result of the trading decisions he made on his execution only accounts and so the losses were a result of those decisions, but, I am not satisfied that this takes all matters into consideration. I don't think it's reasonable to make the assumption that all their customers would know what "Beta" meant. Even so, this doesn't mean they should expect customers to cross check the information they were being given particularly when they hadn't been told to do so. In fact, I would suggest he had been told the opposite with the reminder emails encouraging him to use the tool – and no suggestion of cross checking the information or that the information may not be entirely reliable.

One particular email says:-

*"Remember to keep checking your performance using the **trade analytics tool** in My IG.*

Use it to help:

- Gain deeper insight into your winning and losing trades*
- Identify and eliminate expensive mistakes*
- See your total returns, including all fees and adjustments*
- Monitor how much you pay in costs and charges*

Plus, we'll soon be adding new features to make your trades even more transparent – one more reason to check the tool regularly."

In another email they say:-

"Gain deeper insight into your winning and losing trades

Identify and eliminate expensive trading mistakes

See your true profit and loss, including all fees and adjustments

Monitor how much you pay in costs and charges"

I take on board IG's point that he could have verified the information he was given on the profit and loss history of his account to give him an accurate figure. But as I've explained above, he wasn't told he needed to do this or given any suggestion the information wasn't accurate. IG have promoted this as a tool that will aid them in their decision making by giving them insight into their trades and their profit and losses. So, I would expect them to ensure the accuracy of the information they are presenting or alternatively notify consumers of the potential issues that they may encounter so they are not solely dependent on this source of information. Unfortunately, IG didn't do this despite the substantial discrepancy that showed in the account.

Mr D relied on the information that was given to him as accurate and based his trading decisions on this. Under the circumstances, I think it was reasonable for him to do so, and I am persuaded by his account that he wouldn't have traded if he had known the true position of his accounts. As such, I consider his trading losses to be a result of the incorrect information that was given to him on the analytics tool.

Putting things right

Mr D confirms the majority of the impact to him as a result of the profit and loss analytics errors was on 2nd and 3rd March and has asked for these trades to be cancelled. Under the circumstances, I think this is a reasonable request to focus on these two days particularly as he ceased trading as soon as he realised the issues and spoke to IG swiftly to resolve these. So, to put things right, IG should cancel all trades placed on these two days across both his CFD and spread betting accounts and reimburse him.

In addition, I can see the considerable impact this situation has had on Mr D's health as well as the distress and inconvenience this has caused. As such, IG should honour the £400 compensation they previously offered him.

My final decision

My final decision is that I am upholding this complaint against IG Markets Limited and they should pay Mr D as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 25 October 2022.

Naima Abdul-Rasool
Ombudsman