

The complaint

Mr O's complaint concerns his Contracts for Difference (CFD) trading account held with Trading 212 UK Limited (T212). He says that:

- Failures of its system prevented him from partially closing his positions and caused him a loss and additional interest expenses.
- A customer adviser tried to influence his decision on what positions to close.
- Funds he deposited didn't reflect on his account, resulting in him being margin called.

He feels these issues have caused him stress and a financial loss.

What happened

Mr O opened his account with T212 in October 2021 and traded regularly until January 2022. On 5 November 2021, he experienced issues while proposing partial closures of his existing positions. He contacted T212 on the same day through the online chat feature and spoke with a member of T212's customer service staff.

Mr O provided screenshots of the issue he was experiencing and further explained that he was unable to take partial profits on a long CFD position as the value on the order was showing as '£0.00'. One of the screenshots Mr O provided demonstrated that he was trying to sell 60 of his 367 shares held in AMC Entertainment (AMC). But the value beneath the quantity was showing as £0.00. Mr O said that this meant he had no idea how much he was selling and missed out on taking profits. The customer adviser confirmed that it seemed the monetary value was not calculating upon placing the sell order and told Mr O that this was definitely not right and escalated the issue.

Mr O contacted T212 again via the online chat feature later that day. He spoke to a different customer adviser and explained that their system wasn't allowing him to take partial profits, which was causing him distress. Mr O provided further screenshots to demonstrate the issue. The customer adviser explained that the '£0.00' below the quantity shows the charges for the trade and explained that because Mr O was placing a market sell order to partially close an existing position, there is no such charge.

The customer adviser further suggested that Mr O could calculate the profit based on the current price and quantity. But Mr O continued to express his distress regarding this issue and asked to speak to a supervisor. The customer adviser then suggested that Mr O should be able to liquidate part of his holding in AMC and provided articles which explained how to place take profit and stop loss orders, and how to close positions.

Mr O remained dissatisfied with this explanation and noted that the articles provided showed how to close a position in full, rather than partially, and reiterated his request to speak to a supervisor. A senior staff member then joined the chat to confirm that his complaint had been escalated and he would receive a confirmation email within several business days.

During this conversation on 5 November 2021, Mr O also raised his concern that the funds he'd deposited that week hadn't reflected on his account. The customer adviser explained

that the funds should arrive within three business days. Mr O explained that he deposited the funds into his invest account and when they reflected, he transferred them to his

CFD account, but there was a delay in the funds showing. The customer adviser confirmed the funds were successfully transferred into his CFD account.

T212 issued a final response to Mr O on 29 December 2021. It acknowledged his frustration and reliance on the order value calculation to make his trading decision. As a result, it offered him a goodwill gesture of £75. Mr O initially accepted this offer, but later declined, saying that he couldn't view the attachment, so was unaware of the amount it'd offered.

He asked for the complaint to be re-opened in January 2022 as he was still experiencing issues with the platform, causing him financial loss and distress. T212 re-opened his complaint and issued a second final response on 8 March 2022. This response reiterated its initial findings and noted that it had requested additional information from Mr O, but didn't receive his response. It added a description of the difference between their two trading modes, aggregating and hedging mode, and explained that aggregating mode only allows one position to be open in a particular instrument. It noted that it was Mr O's responsibility to determine which mode is set, as per his personal preferences.

Mr O remained dissatisfied with the outcome of his complaint and subsequently raised his complaint with our service. He raised some additional complaints points, which included:

- The confirm button being greyed out when trying to place a limit sell order.
- He felt pressured by the customer service staff member to close a position that he wished to keep open.
- He paid additional interest because he had to keep the positions open while his complaint was being investigated.

In response to the complaint made to our service, our investigator didn't think that T212 needed to take any further action. In brief, he said:

- The information provided by the first customer adviser Mr O spoke to was incorrect. But the second customer adviser he spoke to on the same day provided accurate information, although he felt it could have been explained more clearly.
- The investigator explained that the value on the proposed order that Mr O was referring to didn't represent the profit or loss to be realised by the partial sale. Rather, it represented the margin requirement and wasn't applicable when placing an order to partially close an existing position. And with reference to the screenshot of Mr O's proposed order in AMC, he explained that as he was proposing a partial sell order to reduce an existing long position, this wouldn't require additional margin to place the order. So, the value was shown as '£0.00'. The investigator also demonstrated by way of an example how Mr O could calculate the profit to be realised by the proposed order. He concluded that this wasn't the result of an error or failure of T212's platform and didn't prevent Mr O from submitting the partial market sell order.
- The confirm button was greyed out on Mr O's proposed limit sell order because the order was incomplete as he hadn't specified a limit price. He concluded that this wasn't a result of an error or failure of T212's platform.
- The funds Mr O deposited had reflected on his account by 7 November 2021. And the margin closures on his account occurred between 10 November 2021 and 6 January 2022. Therefore, the alleged delay in these funds reflecting didn't cause the margin closures. This is because they reflected three days prior to the margin closures which first occurred on 10 November 2021.
- The customer adviser Mr O spoke to on 5 November 2021 suggested that as he had a profitable position in AMC, he should be able to set up a limit order to liquidate part

of the holding. The investigator emphasised that the customer adviser only suggested that Mr O liquidate part of his AMC holding, which is what Mr O was intending to do. The investigator concluded that the customer adviser's suggestion was in line with the intention that Mr O had expressed earlier in the conversation, which was to take partial profits on his position in AMC.

- Mr O should've been able to place his orders without the value showing. This is because the value represented the margin requirement and isn't applicable when partially closing open positions. Therefore, the investigator didn't think that T212 should be held responsible for the additional interest expense Mr O incurred from keeping his positions open.

Mr O didn't accept the investigator's view and provided further submissions in support of his case. He noted that his friend who was with him at the time was able to place the same limit sell order without experiencing the issue Mr O had experienced.

However, this didn't persuade the investigator to alter his position, as he felt that the additional screenshot provided wasn't relevant to Mr O's current complaint, as it related to a separate issue – temporary suspension of trading in another CFD instrument.

The investigator acknowledged Mr O's statement that his friend didn't experience the same issues. But he noted that his friend may have completed the limit sell order by specifying the limit price, which Mr O had omitted from his order. The investigator also suggested that Mr O try to replicate the same orders on T212's practice mode to verify his findings.

However, Mr O remained dissatisfied and reiterated that he felt his ability to trade without bias was negatively affected as he was given suggestions on what to trade. In addition, he reiterated that he was initially told that there was an error on the system.

As the investigator wasn't persuaded to change his view, the matter has been referred to me to review.

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've come to the same conclusions as the investigator and for broadly the same reasons.

I understand that Mr O feels strongly about his complaint and that the matter caused him distress. However, I note that he hasn't disputed *all* the investigator's findings. Rather, it seems Mr O's primary concerns are that he felt his ability to trade without bias was impacted as he was given suggestions on what to trade. And that he was initially told that there was an error on the system.

I appreciate that the concerns Mr O has raised above are important to him, so I'd like to address these in more detail. And although I am not addressing all his complaint points with the same level of detail, I'd like to reassure Mr O that I've read all his comments carefully as part of my consideration of the matter. And I trust that he won't take it as a discourtesy that my findings focus on what I consider to be the central issues, being the primary concerns that Mr O has raised with the investigator.

The purpose of my decision isn't to address every point raised. Rather, it's to set out my conclusions and the reasons for reaching them. Turning to Mr O's primary concerns, I know that he's unhappy that the first customer adviser he spoke to on 5 November 2021 told him

that there'd been an error. I can appreciate that this may have caused him concern and possibly contributed to his distress. However, I agree with the conclusions of the investigator in that Mr O was provided with the correct information later the same day and, therefore, without unreasonable delay. In addition, I think T212's offer of an apology and goodwill gesture of £75 is sufficient to compensate him for this.

Regarding Mr O's concerns that he was given suggestions that affected his ability to trade without bias, having reviewed the chat transcript I've come to the same conclusion as the investigator. The customer adviser provided only factual information about how to place the various order types available because it was evident that Mr O was having difficulty placing an order. The customer adviser also suggested that Mr O could partially liquidate his AMC position by placing a limit sell order. It wasn't suggested that Mr O liquidate his AMC holding in full.

It's worth explaining that T212's platform offers two trading modes – aggregating mode and hedging mode. And the investigator previously confirmed that Mr O mostly used the aggregating mode. When trading in aggregating mode, Mr O was able to reduce his long position by placing a limit sell order. In contrast, a limit sell order wouldn't achieve the same result in hedging mode, as this would result in him having a long position as well as a short position alongside it. However, as Mr O mostly used aggregating mode, the suggestion to place a limit sell order to partially close his long position was relevant and ultimately in line with what Mr O had explained he was trying to achieve – to take partial profits on his holding in AMC.

That said, I acknowledge that the customer adviser provided links to articles which outlined how to place take profit and stop loss orders, as well as how to close positions. I appreciate that these articles didn't explain how to *partially* close a position. However, I think the customer adviser provided sufficient explanations and guidance on how Mr O could partially close his position. And although the articles he shared only explained how to close a position in full, he didn't make any statements that could reasonably have affected Mr O's ability to trade without bias. I'm satisfied the customer adviser was acting in good faith in trying to help Mr O.

In summary, I don't think the difficulties Mr O experienced were a result of failures of T212's system. And although he received incorrect information at first, he was then provided with an accurate explanation the same day, of how to place the partial orders as he intended. In addition, Mr O wasn't given suggestions to trade, other than guidance on how to place the partial sell orders that he was having difficulty executing. As such, I find that T212 don't need to do anything beyond paying Mr O the goodwill gesture of £75 previously offered.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 29 December 2022.

James Harris
Ombudsman