

The complaint

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

What happened

Mr K held a Contracts for Difference (CFD) and spreadbetting trading account with IG Index Limited (IG). He says he used IG's trading analytics tool to provide him information on his profit and loss accounts, but it displayed incorrect data, showing his account to be in a larger profit than it was. On 8 October 2020, it showed a profit of around £8638 instead of £8584 - based on his own calculations. The data between 7 and 8 October 2020 showed a profit of £1230 instead of £1086. He says he relied on this information to make the trading decisions which followed and made losses of around £40,000.

He says IG regularly present incorrect data but says he did not become aware of these issues until he made IG were aware of the discrepancy with the analytics tool. He holds IG responsible for his losses and to resolve the complaint, he would like the losses he's incurred between 7 October 2020 to 2 November 2020 to be reimbursed.

IG issued final response in January 2021 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 K should have compared the data with other sources available to him 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.

Unhappy with this outcome, Mr K brought his complaint to this service. The investigator here didn't uphold his complaint. She was satisfied that IG made clear to him in the terms and conditions that they would not be held responsible for any inaccurate or incomplete information in the account data.

Mr K didn't accept the investigators view, so this has come to me for a decision.

I issued a provisional decision on 28 February 2023 explaining why I was intending to uphold this complaint. I include this below.

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.

What I've provisionally decided – and why

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 K and the impact this has had on him.

From the first call Mr K 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 profit and losses on his account were known.

I understand IG's position that the losses Mr K 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 you can also see your key trading stats, including win rate, profit and loss ratio, and return rate in the trade analytics tool. Find it on the left-hand menu of the 'live accounts' tab in My IG. Log in here:..."

There was no warning for consumers to inform them of the risk of relying on this information or telling them to cross check using other sources of information available to them. This email doesn't even mention that it is in "*Beta*" stage as IG have said. On balance, I am persuaded by what the consumer says, that this trade analytics tool was promoted by IG in communications and never came with any warnings.

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 discrepancy that showed in the account and Mr K relied on the information that was given to him as accurate. Under the circumstances, I think it was reasonable for him to do so.

Putting things right

When putting things right, my aim is to put Mr K back in the position he would have been had IG not made any errors, so I need to establish what he would have done if the error hadn't happened. It is difficult to say exactly what this would be, but I'm not persuaded by his account that he wouldn't have traded if he had known the true position of his accounts. I say this because, I've looked at the discrepancy in the analytics tool and how much this

amounted to. The tool showed profits of £8638 instead of £8584 (based on Mr K's own calculations), a difference of £54, and £1230 instead of £1086 (based on Mr K's own calculations), a difference of £144 - a combined total discrepancy of £198.

Although the discrepancy with the profit and loss information on the analytics tool is accepted, it is not in such significant amounts that I feel would have prevented him from trading altogether. I am satisfied that he did intend to trade with the funds he had, albeit, with the correct funds available, but I'm not persuaded that the £198 discrepancy on IG's part against a combined profit of £9670 warrants the refund of all his losses.

I've noted he says he became aware of the issue when he analysed the data at the end of October 2020, so I would expect he would take action to mitigate his losses and take appropriate action at this point. He also had access to account statements which would have showed him the true state of his accounts and he would have known the information wasn't in real time. The fact that he later relied on calculating the profit and loss of the account himself, demonstrates a greater understanding of the position his accounts were in, so I'm not persuaded his entire trading during this period was based on the analytics tool. The tool didn't give him any advice on what positions he should trade in, it just told him the profit and loss in his account.

Whilst I fully sympathise with Mr K particularly as he's suffered significant losses, ultimately, his losses were largely resulting from the trading decisions he made on an account which was execution only and not because of the information on the analytics tool.

That said, the incorrect information on the analytics tool meant Mr K believed there was more funds available than there actually was. I can't say with any certainty whether this meant he placed more trades than he would otherwise have done, but it did give Mr K the opportunity to lose more money in addition to the losses he was making from his own trading decisions.

Despite this, I think it would be unreasonable to ask IG to refund all of Mr K's losses and it is difficult to say which positions, if any, were impacted by the discrepancy. What I think is clear is that IG's communications in relation to the analytics tool should have been clear in saying investors needed to cross check the data and not solely rely on this one source.

IG have now written to us and accepted Mr K didn't receive their communications about this tool because his account was set not to receive promotional communications. In recognition of this and the inconvenience caused by the discrepancy in the analytics tool, they have offered Mr K £300 compensation.

I've thought carefully about the level of compensation I would consider fair in this situation. I can see the considerable impact it has had on Mr K and I am aware of the additional stress and health concerns he's faced. I do feel IG's handling of the situation has added to this, particularly as it's taken them more than two years to make an offer to him. I believe they have prolonged the level of distress and inconvenience this has caused him, as such, IG should pay Mr K £400.

My provisional decision

For the reasons given above, I intend to uphold this complaint against IG Index Limited. I intend to direct them to pay Mr K £400 for the distress and inconvenience they've caused him.

Responses to my provisional decision

IG responded to accept my provisional decision.

Mr K didn't accept my provisional decision and responded to say, "*I maintain that the error with the trade analytics, admitted by IG in writing, constitutes a fundamental breach of contract because providing such information is at the core of the contract despite the non-advised nature of the contract. The transactions that followed the error should be annulled (losses reversed). The amount of IG's error is immaterial to this and does not bear relevant to the size of the transactions that followed. There are too many factors at play in the decision making for there to be a proportional relationship. Any additional compensation is a separate issue – in that regards I would accept the suggested £400.*"

Putting things right

I've considered the information Mr K has provided but don't think there is any new information that would persuade me to change my mind. As such, I see no reason to depart from my provisional findings and make the same findings here.

My final decision

For the reasons given above, my final decision is that I uphold this complaint against IG Index Limited. They should pay Mr K £400 as noted above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 April 2023.

Naima Abdul-Rasool
Ombudsman