

The complaint

Mr A complains that Trading 212 UK Ltd's system 'glitched' and closed some positions on his account, leading to an actual loss and the opportunity loss of a potential profit. He also questions the functionality of T212's free share promotional offer and suggests this – together with an incident of incorrect personal data sharing – supports his view that T212's systems are generally unreliable.

What happened

Mr A's primary issue is that in September 2022 two open positions on his account, in JPMorgan Chase and ASOS, were closed without any action on his part or his consent.

He complained to T212 about this issue, along with his other concern about its 'Invite a Friend' promotion. This is an offer where a recommendation of a new customer to T212 is rewarded with a random free fractional share of a value between €8 and €100. Mr A was concerned that having made three recommendations he'd received shares all worth within a few cents of €9, which he felt indicated that the offer wasn't operating fairly and suggested additional problems with T212's systems.

T212 didn't uphold either aspect of the complaint. Its records showed that the positions had been actively closed by the same device with which Mr A usually accessed his account and there was nothing to suggest that a system error had occurred.

In respect of the share offer, T212 was satisfied it had been administered correctly and fairly for Mr A. But in recognition of his disappointment that he'd received shares all with a similar value it allocated a bonus share to his account.

T212 issued a final response to Mr A explaining the above. While doing so it inadvertently sent him a response intended for another customer. Mr A added his concerns with this issue to his complaint.

Our investigator looked into the matter but didn't think the complaint should be upheld. He said, in brief:

- Every device used on T212's platform is allocated a unique identification code. T212 had provided the unique code for Mr A's mobile device. Its audit logs showed the instructions to close the positions were placed from Mr A's mobile device.
- This same device was used to place other trades on his account.
- Mr A had confirmed he was the only person who uses and has access to the device.
- He also confirmed he is the only person who knows his T212 log in details, including a PIN and that he uses a complex password.
- Being given shares of around the same price as part of the promotion didn't show the trading platform had glitched. The terms of the offer say shares are allocated randomly and will be up to €100 in value. If there are more £9 shares than £100 shares within the pool the odds of receiving a £9 share are more likely.
- Although unfortunate, T212 sending another consumer's correspondence to Mr A appeared to be human error and didn't show a systemic flaw in the trading platform.

Mr A's own data was not disclosed incorrectly.

The investigator said that the evidence showed the disputed trades were placed from a mobile device that regularly traded on the account. No evidence showed that T212's platform didn't perform as expected. Therefore, on balance he was satisfied the instructions to trade were placed by Mr A and weren't due to an act or omission on the part of T212.

Mr A didn't accept the investigator's view. He provided some further evidence which he felt demonstrated additional issues with T212's systems. He also said that he'd expected T212 to say as it had, that his device had been responsible for the closures of the positions. But he continued to dispute this, highlighting what he felt was a lack of security with the system. He also reiterated his concerns about the sharing of a consumer's data and how this further supported his view that there were issues with T212's systems.

The investigator wasn't persuaded to change his opinion, so the matter's 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.

Where the evidence is incomplete or inconclusive, I've reached my decision based on the balance of probabilities. So, what is more likely than not given the available evidence and the wider circumstances.

I recognise Mr A feels very strongly that T212's system failed him and caused the closures of the positions. He is very clear in his submissions that he didn't action them and questions why he would've done, given the potential gain he stood to make. He's pointed to his previous frequent and profitable trading of JPMorgan Chase to highlight how unlikely it is that he would have chosen to close the position. He notes the same issue with the ASOS position, along with the other problems with T212's systems – to support his view that it was responsible for the closures, so it should compensate him for the actual loss incurred and the loss of opportunity to profit from the JPMorgan Chase position.

I've considered closely what Mr A has said. But I must balance his evidence with that offered by T212 – the IT logs of the transactions. While I accept that computer systems are not infallible, I nevertheless must come to a decision based on all the evidence and, on balance, I find it more likely that the positions were actively closed by Mr A, quite possibly unintentionally, than were closed by a glitch in T212's systems.

I note what Mr A's said about the other issues supporting his view that there are issues with T212's platform. But I don't think they suggest the likelihood of a systemic problem that caused positions to be closed. Firstly, Mr A has identified only two examples of the closure issue itself and secondly, the other issues – the promotion and the mis-sent letter – are entirely unrelated to T212's trading facility.

In respect of the promotion, I understand Mr A's point about the likelihood of repeatedly receiving similarly priced shares. But as I understand it, the 'pool' of available shares contains a larger proportion of lower priced shares, so his experience doesn't appear to be wrong or contrary to the terms of the offer. And the receipt of the other consumer's letter was swiftly addressed by T212 and ultimately, it wasn't Mr A's data that was inappropriately shared. As I say, I don't think either of these issues suggest that T212's trading platform is in some way at fault.

In all the circumstances, I find I'm unable to conclude that T212 acted incorrectly so I don't think there's any basis on which Mr A should be compensated.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 March 2024.

James Harris
Ombudsman