

The complaint

Mr P has complained about Interactive Investor Services Limited (Interactive). He said Interactive has denied him access to his online trading account. He said he was not given any warning about this, and it has caused him to suffer investment losses. He would like to be compensated for this.

What happened

Mr P held an online trading account with Interactive. He said up to 25 March 2022 he had been given access to his account online, using a non-valid email. Mr P said he had been using his non-valid email address and had been getting access to his account to trade.

Mr P then said on 28 March 2022 he had tried to log in but wasn't given access. He said he tried many times to do so. He said he needed to gain access to his account as he wanted to quickly react and cancel a pending open limit sell order in Polymetal shares. He said he also had other potential trades that he was looking to react to.

Mr P said after trying several times to log in, he then called Interactive to try and cancel the pending order but was told that it had already executed it and his shares had been sold. Mr P said because of not been given access to his account, he suffered investment losses on his Polymetal shares and with other potential trades that he was looking to react to. He complained to Interactive about this.

Interactive said in response that it carried out maintenance over the weekend beginning 26 March 2022 and as part of this it had improved the security on its website. This meant that any accounts holding a non-valid email address were unable to gain access, including Mr P and his account.

Interactive said Mr P had placed a limit order and he then gave them a call to cancel it but did so two hours after they had executed it. It said it couldn't cancel or reverse it. Interactive said Mr P was not at any stage out of the market when his online access was restricted. It said he was able to place any trades he wanted by phoning them up. It said he did not take this option up when he found out he could not log into his account. Interactive offered £250 compensation for issues with its customer service that it said he suffered trying to chase up his complaint.

Mr G was not happy with Business's response. He said the root cause or primary aspect of his complaint is that Interactive denied access to his online trading account without giving him any advance warning or notice. He said this caused him financial loss, due to Interactive's negligence. He said instead of addressing this, all conclusions so far have been about actions he could have taken after already been denied access to his account.

I issued a provisional decision on this complaint on 25 September 2023. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

"I am not upholding Mr P's complaint about Interactive denying him access to his account. I will explain why.

Mr P said he had held his account with Interactive for many years and part of the reason why he traded using its platform in the first place was because he could open an account using a non-valid email. So, from the outset Mr P used a non-valid email address to gain access to his trading account. He said in 2018, Interactive tried to update his account by requiring him to have a valid email address, but after a discussion it allowed him to update his details using a non-valid email address again. He said Interactive were aware that he was using a non-valid email address and accepted this. He said he was able to gain access using his non-valid email address up until the weekend of 26 / 27 March 2022, when Interactive updated its security, with non-valid emails no longer being able to work.

I can see that Mr P having a non-valid email, is the reason why he couldn't gain access on 28 March 2022 to his online account. Interactive updated its system requirements over the weekend and Mr P was unable to gain access after it had done this as he didn't hold a valid email address. It is not in dispute between the parties that this is what happened.

Mr P has said his main dispute with Interactive is that he wasn't given any warning about not being able to access his account online. He said he had a few trades that he was going to react to and take action on, on 28 March 2022 and also a pending order that he wanted to cancel. Mr P said if Interactive had given him a warning about the security update it carried out, that he would have been able to do things differently. He said he would've taken steps to cancel his pending order and carry out his trades.

Mr P has explained in detail that if he was given prior warning by Interactive that he wouldn't be able to gain access to his account online, he would have immediately phoned Interactive on 28 March 2022 and cancelled his pending order as well as take action with other trades. He said, as it didn't warn him about the security upgrade, that he spent time on that morning instead trying to access his account and this led to his pending instruction being executed and him missing carrying out trades. He said it was through Interactive's negligence that this happened.

Interactive on the other hand has said Mr P could have phoned it and cancelled the pending order and carried out any trades he wanted to. It said he could have still used its services. I have looked into this and can see within the terms of Mr P's account the following under the heading 'orders':

3.2: You may only place orders on our website, by telephone or by using our trading apps.

3.3: We will use reasonable endeavours to ensure our website is available for trading online and our trading apps are available for trading. However, we do not promise that access to either our website or online trading will always be available.

3.4: If you are unable to access our website to trade online or through our trading apps, you may telephone us to place an order.

After reading the terms given above, I can see that Interactive has not guaranteed that Mr P would be able to always access his trading account online. It has stated that in times that he can't obtain access that he would be able to phone them to place an order.

In relation to Mr P's complaint, I am currently minded to conclude that he could have contacted Interactive on the phone to cancel the pending order and make any trades that he wanted to, when he found out that he couldn't get access to his online account.

Mr P said that if he had been given a warning by Interactive earlier about the security upgrade then he would have acted differently and called it to cancel the pending order. I acknowledge Mr P's point here, but I think he could have contacted Interactive anyway, when he realised, he couldn't gain access to his online account. Mr P has said he had planned to cancel his pending order when the markets opened and that's why he was logging on to his account. So, I can see that this was a priority for him to action. I can see that he could have done so regardless of whether he received a warning from Interactive or not.

Mr P said he didn't phone Interactive because he made wrong decisions and spent his time trying to get access to his online account. Again, I acknowledge what Mr P has said here, but I don't think it would be reasonable for me to conclude that Interactive were responsible for this. Instead, I think Mr P did have a choice to cancel his pending order in time if he picked up the phone and called Interactive once he realised, he couldn't get into his account online.

Mr P has said he wouldn't have provided a valid email address to Interactive, at any point in time. So, I can't see that from the point Interactive carried out its security update, that Mr P would have been able to carry out any trades online, regardless of how much warning he had received from it. So, if Mr P had been given warnings and notice from Interactive then all Mr P could have done differently would be to use the phone service to carry out the instructions that he wanted to make. And as I have already concluded he could have done this from the moment he realised he couldn't get access to his account anyway.

I can see that Mr P must've had a frustrating experience trying to gain access to his account on 28 March 2022. He said he had tried several times to do so. That said, I think on balance, Mr P would have been aware that he could also carry out his instruction on the phone, and what he wanted to do was time sensitive. Interactive has explained that Mr P could have contacted it sooner to cancel the pending order. So, as Mr P had an alternative way that he could have carried out his instruction, and he more likely than not was aware he could do this, I don't think I can say Interactive has done anything wrong here or are responsible for any failings.

Finally, Mr P has described his experiences with Interactive in trying to deal with his complaint. Interactive has offered Mr P £250 compensation for distress and inconvenience. I think Interactive's offer to Mr P is fair and reasonable in all the circumstances of his complaint, and like awards I have given for the customer service issues Mr P has described.

I appreciate that my decision will be disappointing for Mr P, and I acknowledge the strength of his feelings in the submissions provided. But based on everything I have read and the findings I have given, I don't currently uphold his complaint about not being able to get access to his online account.

Interactive has offered to pay Mr P £250 for distress and inconvenience due to customer service issues he has experienced. I think this offer is fair and reasonable."

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

Interactive did not respond by the deadline I set. It has asked for updates on a few occasions since then.

Mr P asked for an extension to the deadline I set. He then responded on 28 October 2023 before the extended deadline and submitted a lengthy response. I have summarised what I think are the relevant points from this below. He said:

- Interactive breached a duty of care towards him by failing to notify him that it intended to permanently deny him online access to his account, causing him huge financial loss and harm.
- He reviewed interactive's terms and s16 clearly states it is required to give notice in advance of changes in technology or an introduction of new and improved systems. Interactive breached its own terms by not giving clear advanced notice of its system upgrade.
- If he had been given a warning, he would've not provided a valid email address. But he would have contacted Interactive over the phone immediately and carried out his trades or cancelled them.
- He didn't act immediately to call interactive once he saw he couldn't get access. This is because he was not given any advanced warning and because of misleading statements issued by Interactive before and during him not being able to gain access. He said these statements created a period of ambiguity and delayed him from taking action.
- There were several times where he did call Interactive and it failed to explain what had happened, giving him false hope that he would be able to gain access online.
- He regards parts 10a and 11 of his previous submission to be relevant to this complaint. They are regarding his struggle to get Interactive to issue a third final decision letter for this complaint.
- He thinks Interactive has been negligent and are responsible for investment losses that he has incurred.

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.

I have read the latest submissions from Mr P carefully. Due to the length of Mr P's submission and the number of points he made within it, I won't be responding to all of them. Instead, I have focussed on what I think is relevant to his main complaint, that is that Interactive has denied him having access to his online account and that it didn't warn him about this.

Mr P has mentioned s16 of the terms and conditions associated with the account he holds with Interactive. He has said this term states that Interactive is required to give notice in relation to any changes in technology or an introduction of new and improved systems.

I have read through the terms Mr P has referred to and can see these relate to any variation or change in the existing terms given by Interactive. I don't think that is what has happened here though. Interactive said it carried out a security upgrade on its system. I've

not seen anything that would suggest to me that Interactive changed or varied its terms. Rather, its security upgrade was in relation to its existing terms. So, on balance, I don't think it has breached its own terms as Mr P has suggested it has.

Mr P has made several comments about what happened once he found out he was unable to log on. He has explained why he feels he didn't phone Interactive straight away to cancel his pending order or carry out other trades. He has said this is because Interactive provided misleading statements both before and at the time he couldn't log on. He said these statements along with a lack of a warning beforehand created a period of ambiguity. I acknowledge what Mr P is saying here. But I still think he could've contacted Interactive anyway, when he realised, he couldn't gain access to his account. Again, I can see that cancelling the pending order was a priority for Mr P and he could have done this whether he had received a warning from Interactive or not. And regardless of the statements that Mr P said he received from Interactive, Mr P could have also carried out any trade he wanted to by phoning Interactive at any stage.

I have read Mr P's previous submission again and parts 10a and 11 that he says forms part of this complaint. I acknowledge the point that he had made that 10a and 11 are in relation to what has happened in this complaint. However, I would like to make clear that the reason I haven't looked into the additional complaint points raised by Mr P in his previous submission under points 10-13, is that it wouldn't be fair on either party if I did so. This is because all the issues raised by Mr P within 10-13 including those in 10a and 11, have not formed part of this complaint up to now. So Interactive has not submitted anything in relation to these complaint points and our investigator has not looked into them either. So, it would not be fair for me to look at them and make a decision at this late stage. As I said in my provisional decision, Mr P can raise a separate complaint about any of the issues he has raised in points 10-13 if he wishes to.

In summary, I am satisfied Mr P would have been aware that he could also carry out any instruction that he wanted to carry out on the phone. So, as Mr P had an alternative way that he could have carried out his instructions, and he more likely than not was aware he could do this, I don't think I can say Interactive are responsible for any failings here with regards to what Mr P has described as his investment losses. I think Mr P could have cancelled or given orders at the times he wanted to do so.

Finally, as I said within my provisional decision, Interactive has offered Mr P £250 compensation for distress and inconvenience. I think Interactive's offer to Mr P is fair and reasonable in all the circumstances of his complaint, and like awards I have given for the customer service issues Mr P has described.

My final decision

Interactive Investor Services Limited has already made an offer to Mr P to pay £250 to settle the complaint. I think its offer is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 6 December 2023.

Mark Richardson
Ombudsman