

## The complaint

Mr A has complained about the difficulties he experienced when trying to deposit funds into his trading account with eToro (UK) Limited ('eToro'). Because of this, Mr A couldn't trade as he wished, and has lost out on the potential profit.

## What happened

Mr A had a Contracts for Difference ('CFD') account with eToro since 2020 and to finance his trading he would use his credit card to deposit US dollars. On 4 December 2023 Mr A tried to make a further credit card deposit but was unable to do so. Mr A then tried his debit card but this also failed.

After contacting eToro Mr A was told the facility to fund his trading account by credit card had been withdrawn and Mr A had been notified of this on 22 November 2023. Mr A says he didn't receive this. And in any event, Mr A had also tried to make a deposit via his debit card but as this had also been denied he raised a complaint with eToro.

eToro responded to Mr A's complaint on 8 and 12 December 2023. It didn't uphold Mr A's complaint;

- The credit card deposit facility had been removed on 30 November 2023. The email confirming this wasn't sent to Mr A in error, for which it apologised.
- It further apologised for the misinformation Mr A had previously been given about this and the applicable dates.
- The debit card deposit had been declined by his bank and not eToro so he should contact his bank.

Dissatisfied with the outcome Mr A brought his complaint to the Financial Ombudsman Service. Our investigator who considered the complaint thought that eToro needed to do more. She said;

- eToro had acknowledged Mr A didn't receive the notification about the cancellation of the credit card deposit facility. And when he sought information about this from eToro he was misinformed as to the date it ceased which was on 30 November 2023.
- Mr A was also misinformed about other methods of depositing funds into his account. The poor communication would have added to the distress and inconvenience caused.
- It was Mr A's bank that declined the transaction he tried to make via debit card. His bank required additional security checks which wasn't eToro's responsibility.
- Mr A had wanted to execute a trade and was also concerned about margin call on one of his positions. Margin call wasn't required but this would have added to Mr A's distress. She wasn't holding eToro responsible for the loss of opportunity to invest as this wasn't solely because of the lack of notification eToro was withdrawing its credit card deposit facility.

- The only other immediate deposit facility available to Mr A was via his debit card but this had been declined. And even if he had known about the credit card facility being withdrawn earlier, she couldn't say what sort of alternative action Mr A would have carried out. And she thought the trade Mr A says he wished to make was opportunistic – for which a wire transfer would have taken too long – and if it had been more than that type of trade, he would have increased the amount of the credit card deposit on 29 November 2023. So, she didn't think eToro was responsible for the potential loss of profits.
- But Mr A had suffered distress and inconvenience because of the poor communication from eToro and he should be paid £150 in recognition of that.

Mr A didn't agree. He said the £150 was too small for the size and history of his trades. The decline of his debit card wasn't because of his bank but because of where he lived and such a service wasn't allowed, so he couldn't use that option to credit his account. He suffered financial losses and eToro's decision had affected his trading technique.

As the complaint remains unresolved, it has been passed to me for a decision in my role as ombudsman.

### **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.

After doing so, I've reached the same conclusion as the investigator and broadly for the same reasons. I'll explain why.

#### The change to payment method and misinformation

I should first say, I am satisfied that eToro can vary its method of payment for its clients to fund their accounts. The fact that it can change its terms and conditions and/or its services is outlined in its terms and conditions that Mr A agreed to at the time he opened his account with eToro.

After Mr A couldn't make his credit card or debit card deposits on 4 December 2023, he contacted eToro via webchat and was informed eToro had made a business decision to remove the credit card deposit option. Its customers had been informed of this via email communication on 22 November 2023. Clearly this must have been confusing for Mr A as he had successfully made a credit card deposit on 29 November.

But in any event Mr A hadn't received that email and even though it's now clear that was because of human error and wasn't sent to Mr A because of the settings on his account, it must have been distressing for Mr A. His credit card was the sole method used by Mr A to deposit funds on his trading account so undoubtedly Mr A would be inconvenienced by eToro's decision.

And Mr A must have been further confused as the follow up email sent to him on the same day as the webchat conversation informed Mr A the credit card deposit option had been removed on 31 October 2023 despite his deposit on 29 November. eToro has apologised for the misinformation Mr A received.

During the webchat Mr A was also informed of the only deposit options available to him (he was based overseas) were wire transfer, Paypal, Skrill and Neteller. But it later transpired not all of these were available in his country of residence. He was then told that to deposit funds in the future he could use a debit card, bank transfer or eToro Money, the latter being

the most cost effective. So, Mr A had again been misinformed, this time about how he could finance his trading in the future.

eToro has apologised for the misinformation Mr A was given which must have caused him confusion and its clear it didn't provide the service it should have done in its communication to Mr A. But I think the distress and inconvenience caused to Mr A because of the poor communication warrants more than an apology. I think an award should be made as a reflection of the distress and inconvenience Mr A suffered which I address further on in my decision.

#### The debit card payment

When Mr A wasn't able to make a deposit via his credit card, he tried to use his debit card, which was unsuccessful. However, I understand the transaction request wasn't approved by Mr A's own bank as it needed further security checks. So, this would be a matter Mr A needs to raise with his own bank. Mr A has disputed this point, but it is not part of this complaint. But I am satisfied that eToro didn't do anything wrong at the time, so I don't uphold this element of his complaint.

#### Mr A's ability to trade and loss of opportunity

Mr A said to eToro he got up early in the morning of 4 December 2023 at 3.00am to;

'fund my account so I [could] buy a major opportunity [in] gold which I lost because of you...I almost lost my entire investment because I was not able to fund my account on time to prevent hitting my stop loss that I woke up [in the] middle of the night [at] 3 am to do...'

So, there are two issues here, the funding of Mr A's current positions to prevent a stop loss and finance a potential margin call, plus the opening of a new position.

For the first issue, while I appreciate Mr A set his alarm and woke up early as he wanted to finance his current open positions, but I understand that there was no margin call. So, while I appreciate Mr A would have been anxious about his positions because he wasn't able to add funds, if necessary, I can't see that any actual financial loss was suffered because of Mr A's inability to credit his account as he wanted. However, I've taken this into account when considering the overall payment for the distress and inconvenience Mr A suffered.

While I think the above current position/margin call issues would have been Mr A's priority as they were open positions, he has said he got up in the middle of the night not only to finance his current positions but also to take advantage of a trading opportunity. I've thought about this and while I accept the type of trading Mr A took part in can be spontaneous, depending on market movements etc but for me to be able to identify that Mr A suffered financially because of his inability to fund his account, I would need to see that he had a firm intention to trade.

Its accepted Mr A didn't receive eToro's email notification of 22 November 2023. But I'm not satisfied the lack of receipt of that notification by Mr A was the sole cause of any financial loss. As mentioned, the type of trades Mr A carried out are spontaneous, so Mr A isn't in the position to provide evidence that he had a firm intention to trade. While Mr A may have traded if a position he wished to trade in moved in his favour, I can't know what the trigger would have been for Mr A to have made that trade.

Bearing this in mind, when I am presented with incomplete evidence or conflicting testimony, I have to base my decision on the balance of probabilities, in light of all of the circumstances

of the complaint, to reach what I consider to be a fair and reasonable outcome. And because of the type of trading Mr A carries out, which is opportunistic, it's difficult for me to conclude that it is more likely than not he would have carried out the trade.

If Mr A had received the notification as he should have done, the last chance he would have been able to have added funds to his account via credit card was before the facility's withdrawal on 30 November. If he had a firm intention to trade, then it could be argued he would have added further funds to his US\$6,000 deposit on 29 November. However, considering the type of 'in the moment' trading Mr A carried out I would be surprised if at that time he had reached a decision that he was going to trade on 4 December.

I think it more likely Mr A's potential intention to trade came about some time after 29 November and before 4 December. There's no compelling evidence to indicate otherwise. This would have meant he wasn't financially prepared for it. And so, the only option to instantaneously finance such a trade would have either been via debit card or bank wire. But we know the debit card deposit would have failed and Mr A had previously commented he wouldn't like to use a bank wire as it would have taken too long.

If Mr A had received the notification of withdrawal of the credit card deposit facility as he should have done, then he would have had sufficient opportunity to credit his account. But on the balance of probabilities, I'm satisfied Mr A hadn't made a firm decision to trade, rather his potential trade was opportunistic, and that doesn't provide me with sufficient evidence to conclude he has going to trade and suffered a loss of opportunity because of his inability to do so.

From what I've seen, I don't think Mr A formed a firm intention to carry out any particular transaction on his account during that time and lost out solely because he didn't receive the credit card facility withdrawal communication. So, I do not think it would be fair or reasonable of me to award him compensation for him not being able to carry out a particular trade. I appreciate Mr A might have considered his options, but I haven't enough to conclude that more likely than not the result would have been trades of a kind from which he would most likely have profited.

However, it's clear from the above Mr A didn't receive the email about the withdrawal of the credit card deposit facility and was misinformed on more than one occasion about the circumstances surrounding that. So, I think an award of £150 is merited because of the poor communication and distress and inconvenience Mr A was caused and the sum £150 is what I consider to be a fair reflection of that upset.

Mr A has said the award isn't enough as it doesn't reflect the size and history of his trades. But the award isn't to reflect that. It's a recognition of the distress and inconvenience he suffered at the time because of the poor communications he received from eToro.

For the reasons given, I don't uphold Mr A's complaint about the withdrawal of the credit card deposit facility, and I'm not persuaded his inability to trade was solely caused by him not receiving the relevant email notification and has led to him suffering a financial loss. But I do make an award for the distress Mr A was caused because of the misinformation he was given.

No doubt Mr A will be disappointed I haven't upheld the complaint any further – it's clear he feels strongly about it – but I hope I have been able to explain how and why I have reached my decision.

### **Putting things right**

To put the matter right, eToro should pay Mr A £150 for the distress and inconvenience he has been caused.

### **My final decision**

For the reasons given I partially uphold Mr A's complaint against eToro (UK) Ltd, and the matter should be put right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 March 2025.

Catherine Langley  
**Ombudsman**