

## **The complaint**

Mr S complains he bought shares based on incorrect pricing information Freetrade Limited displayed for a share which he otherwise wouldn't have bought.

## **What happened**

Mr S bought 1,357 shares in a company I'll refer to as 'H' on 12 October 2023 at a cost of £277.51. Mr S said he bought these shares because his analysis, which included Freetrade's pricing information for H, concluded it to be a good entry point for this position.

Freetrade's pricing information showed that when H's price fell sharply it increased in a similar way. Mr S interpreted this as a tendency for H's prices to bounce back quickly whenever it fell suddenly. When Mr S saw the value of H fall sharply in that manner, he placed his trade in H based on his understanding of this tendency. However, the share price of H continued to fall in value with the company since falling into administration, which has negatively affected the value of Mr S' position.

Later, Mr S found the pricing history from other sources didn't show the sharp pricing variations Freetrade's platform had displayed, which Mr S relied on.

As Mr S felt he'd unfairly bought shares based on this incorrect information, he complained to the firm. Freetrade considered the complaint but didn't find it needed to do anything more to resolve it. Freetrade said it couldn't identify the discrepancies he referred to and sent him copies of the charts it could see to show this.

Mr S didn't agree and asked our service to look into what happened further. In Freetrade's submissions to our requests for information, it told our service it had since identified an issue with the pricing feed it receives from a third party, which has been fixed, but remained of the opinion Mr S' complaint shouldn't be upheld.

One of our Investigators looked into what happened, but he didn't uphold the complaint. He said although there was an issue with the pricing data, Freetrade set out clearly in its terms and disclosures that this information may not be accurate and past performance wasn't an indicator of future performance.

Mr S responded to our investigator saying he didn't agree with the outcome. He said Freetrade didn't make it sufficiently clear to him its pricing information shouldn't be relied on in the way he did, and such notices should be much more prominent than they were.

As an agreement wasn't reached, the complaint has been passed to me to consider.

## **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 understand why Mr S feels the way he does about what happened and the frustrations that has caused him. However, I have to consider the obligations Freetrade had towards Mr S as a whole and whether it treated him fairly when exercising those.

It was only after Mr S referred his complaint to our service that Freetrade identified the issue with the data feed it was receiving from its provider. It isn't in dispute then that the pricing chart Mr S refers to and relied on was inaccurate at the time he made his investment decisions. While that information was incorrect I need to consider what the firm's obligations to him are around that based on the relevant laws, rules, regulations and best practice.

When dealing with Mr S, Freetrade are obligated to communicate with him in a way which is clear, fair and not misleading, as set out under FCA *General Principle 7* in *PRIN 2.1.1R* and further in *COBS 4.2.1R*.

The terms and conditions of the account with Freetrade, which Mr S would've agreed to when he opened his trading account, are also relevant considerations here. This document sets out the responsibilities for each party when using Freetrade's services. Under this agreement there are particular terms around the accuracy of information on its platform, specifically at Clause 15.8 which says:

"We'll use all reasonable care and skill to make the Freetrade App and its contents available to you 24/7. However we can't guarantee that it will always be uninterrupted, **accurate or error-free**, secure or free of viruses and other damaging property." (my emphasis).

Freetrade also set out under 2.10.3 that, "past performance of an Investment is not a guide to its future performance".

I've also considered what Mr S would've likely seen when he used Freetrade's platform prior to carrying out his investment in H. When viewing a position to purchase on Freetrade's platform, it displays the asset name and the last updated price which is followed by a chart and further statistics. Beneath this is a disclosure statement and a link to further information.

That statement would've said:

"Data displayed above [which includes the charts] is indicative only and its accuracy or completeness is not guaranteed..."

This would be followed by a link to view a separate 'Trading Disclosures' pop up which from the evidence provided likely would've shown the following:

"Stock fundamental data [asset information including charts] displayed is provided by [a third party]. Its accuracy or completeness is not guaranteed."

In my view, the above extracts clearly and fairly set out Freetrade is providing information on its platform from a third party and that this information is indicative. Importantly, it provides no assurances for the information's accuracy, nor is it giving any advice given it is providing execution-only services – as the firm sets out in the terms – and hasn't inadvertently stepped into advice in providing the information it did.

I understand Mr S thinks disclosure like those cited above are unfair however from the evidence provided, I don't agree. In my opinion these disclosures are fair given Freetrade is relying on information from a third party outside of its influence. It can't be sure that the

information it is relaying from that third party is accurate given the complexity and amount of information that includes is likely to at times contain some error. And so, Freetrade would be acting reasonably by giving notice to its client base to that effect.

It follows then that Freetrade has provided Mr S with clear, fair and not misleading information about the reliability of its pricing information from the outset and at the point of his purchase of H's shares. I say this because this information was available to him at the relevant times and the disclosures were set out and explained to him clearly with sufficient prominence.

I've also considered whether Freetrade ought to have identified and resolved this issue prior to Mr S' investment. He provided evidence to our service from online sources which he says shows Freetrade ought to have been aware of these specific issues with H's pricing. I asked Freetrade to provide evidence of this as well and when it was first notified of this particular issue. Overall, while I've seen it was aware of some issues involving H's shares prior to Mr S' investment, the specific pricing issue he experienced isn't evidenced within that. The firm also confirmed that the first it heard of this issue was from Mr S. And so, I've not seen evidence Freetrade ought to have been aware of and resolved this pricing issue prior to Mr S buying his shares in H.

I have some sympathy for the position Mr S has found himself in. I accept he's purchased the H shares based on inaccurate data that he received from Freetrade's platform. But I'm not persuaded it would be fair or reasonable of me to hold the firm responsible for this loss.

The evidence in this case satisfies me that Freetrade didn't intend for Mr S to use its data in the way that he did. This is written into the terms and conditions Mr S accepted when he opened his account. And it was subsequently communicated to him in a way that I consider was clear, fair and not misleading.

Mr S made the decision to rely on this data and acquire H's shares, despite the warnings Freetrade provided about the accuracy of that data. And with this in mind, I couldn't fairly require Freetrade to cover Mr S' losses.

### **My final decision**

For the reasons given above, I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 November 2024.

Ken Roberts  
**Ombudsman**