

The complaint

Ms M complains that Trading 212 UK Limited's ('T212') share dealing app sold a number of shares that she owned without her intention or consent to do so.

Ms M believes that T212's app isn't secure as it allows trades to occur too easily and without any authentication. She'd like T212 to enhance their app with additional security checks to help avoid the issue occurring again.

What happened

Ms M holds shares in a broad spectrum of different companies within her investment ISA with T212. On the following dates, she states that a number of those shares she held were all sold without any request or consent being given on her part:

- 28 September 2023 – all of her AAP shares were sold
- 21 November 2023 – all of her WEG shares were sold
- 26 December 2023 – all of her MPW shares were sold
- 31 January 2024 – all of her META shares were sold
- 28 February 2024 – all of her LOW shares were sold.

Shortly afterwards, Ms M decided to formally complain to T212. In summary, she said that she was unhappy some her positions had been closed by them without her say-so.

After reviewing Ms M's complaint, T212 concluded they were satisfied they'd done nothing wrong. They also said, in summary, that having looked into Ms M's account, they'd seen no evidence of a technical issue on their systems. T212 stated that the trades were placed by Ms M's device, which was also used to purchase some shares at a similar time to the ones that were sold, so they could only conclude that the orders were placed and processed correctly.

Ms M was unhappy with T212's response, so she referred her complaint to this service. In summary, she said that their app had sold a number of her positions inadvertently. Ms M went on to say that T212's app is so sensitive that it sold shares when she swiped to unlock her homescreen. She explained that she'd like T212 to compensate her for her losses and improve their app security features when selling shares.

The complaint was then considered by one of our Investigators. She concluded that T212 hadn't treated Ms M unfairly because from what she'd seen, there were a number of screens within T212's app that had to be worked through before any stocks could be sold.

Ms M, however, disagreed with our Investigator's findings. In summary, she said that she had never requested any of the shares (noted above) be sold – each of the trades were undertaken without her knowledge. Ms M explained that it was T212's system that randomly sold her stocks.

Our Investigator was not persuaded to change her view as she didn't believe Ms M had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, Ms M then asked the Investigator to pass the case to an Ombudsman for a decision.

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 want to start by explaining that I very much gained a sense of how upset Ms M is with the chain of events that she's found herself in. I've considered very carefully all of the submissions that both she and T212 have provided in connection with the complaint. I have summarised this complaint in less detail than Ms M has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Ms M and T212 in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Ms M's complaint - I'll explain why below.

From what I've seen, I don't think there's any doubt that Ms M's phone was used to undertake the trades that are being disputed. I say that because T212's IT systems are able to track the Internet Protocol (IP) address of the device that connected to their systems to undertake the transactions. T212 have stated that their investigations have demonstrated that the instructions to sell each of the shares referenced above all originated from Ms M's mobile phone and from inside their app itself (and T212 have provided the evidence of that). In addition, there's subsequent (purchase) trades that were undertaken on the same device that Ms M isn't disputing. But in any event, Ms M isn't suggesting that it wasn't her phone that the trades originated from. Her concerns stem from her view that T212's app isn't secure and trades have taken place without her say-so as a consequence of her unconnected actions, such as swiping her locked screen open. So, it seems unlikely that Ms M is a victim of fraud or that another individual has accessed her device without her permission because she's not presented any evidence to suggest that any monies from her ISA are unaccounted for.

I've looked at the individual steps that are necessary to both purchase and sell shares on T212's app. In summary, it seems that there's multiple stages in T212's process that the consumer has to go through to sell their shares. So, it's not as simple as clicking an

individual button and a transaction completing; the user needs to work their way through a series of steps before the transaction completes. From what I've seen, it would appear that to sell a share, the user needs to go into the app, they're then presented with underlying investments, at which point they need to then pick the relevant share they wish to sell. At that stage, the user is then required to click on the 'sell' button, then they can choose how many individual shares or the value they wish to sell. Once they've reached that point, the user is then required to click 'review order' and a summary box pops up which shows information about the total proceeds along with any fees payable. Assuming the customer is happy with the summary, they then have to click to accept and complete the order.

Whilst I can't say for certain what happened in the trades that Ms M has highlighted above, I'm satisfied that even if a device were unlocked inadvertently, given the various stages that need to be worked through within T212's app to sell a share, I think it's unlikely that a share could be sold accidentally or inadvertently without the plan holder's input or knowledge.

Ms M is unhappy that T212's app doesn't include facial recognition or any additional security checks or controls to stop trades from taking place inadvertently. But, from what I've described above, it seems to me that there's a number of stages to the selling process that a consumer needs to progress through before a share is sold. However, it's not within the remit of this service to direct T212 on what processes or security measures it should implement within its trading screens, that's a commercial decision for them. From what I've seen of T212's screens, I can't reasonably conclude that they're treating their consumers unfairly because of the absence of facial recognition or additional authentication checks. If Ms M remains unhappy with the look or the manner of how the T212 app operates, it seems they do offer the option to access their services via a traditional website and if she continues to remain concerned about the security within her account, she has the option of enabling two-factor authentication. But, that is a matter for her to decide.

In her complaint to this service, Ms M explained that she'd like T212 to put her back into the position that she would've been in had her shares not been incorrectly sold by their app. Ms M went on to say that she purchased her META shares at \$312.77 and they're now trading at \$613.80 (as of 16 January 2025 – the date of her email). But, it seems to me that if Ms M wanted to retain those shares, she could have re-purchased those stocks back immediately after they were sold and had she done, she would've mitigated her losses. And from what I've seen, Ms M was aware that the stocks were sold as she's made reference to seeing the trading notes following the relevant sales. I do appreciate that Ms M says that she initially tried to raise her concerns when the first share sale took place (AAP and WEG), but consumers have a responsibility to mitigate their losses and Ms M chose not to re-purchase those shares.

Whilst I appreciate this isn't the decision Ms M was hoping for, as I've not been able to conclude that T212 have treated her unfairly, I'm not upholding her complaint.

My final decision

I'm not upholding Ms M's complaint and as such, I won't be instructing Trading 212 UK Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 25 February 2025.

Simon Fox

Ombudsman