

## **The complaint**

Mrs K complains that Trading 212 UK Limited (Trading 212) allowed transactions on her trading account that she didn't authorise.

## **What happened**

Mrs K had a share trading account provided by Trading 212.

On 19 July 2023 she logged in to her account and saw a number of sales and purchases from 17 to 19 July 2023 which she didn't recognise.

Mrs K complained to Trading 212. She said she didn't make the transactions in question and Trading 212 should reverse them.

Trading 212 didn't uphold Mrs K's complaint. In its response to her complaint and in its general correspondence with Mrs K about the transactions in question, Trading 212 It said the IP address used to make the trades was the same IP address used for other trades on Mrs K's account. And the device used for the trades had been used for other account activity on Mrs K's account. And Trading 212 had found no fraudulent activity on Mrs K's account. Trading 212 said it couldn't find any discrepancies on her account that would lead it to believe the trades in question were made without Mrs K's authority. It said Mrs K was responsible for the security of her account. And it noted that the trades about which Mrs K had complained had resulted in a financial gain to Mrs K.

Mrs K referred her complaint to this service.

One of our Investigators looked into the complaint. The investigator didn't think Trading 212 had done anything wrong. In summary, he said he'd asked Trading 212 for evidence of all the trades in question to show they were made with Mrs K's IP address. Trading 212 had supplied that evidence. And the evidence showed each trade was made by the same IP address, and the IP address was used for further logins on Mrs K's account both before and after the trades in question. So the investigator saw a consistent pattern of use of Mrs K's account by that IP address. And the investigator had no basis to say the trades in question weren't made by Mrs K.

Mrs K didn't agree with the Investigator's view. In summary she said the following:

- She categorically stated that she didn't make the transactions. And no one else had access to her devices.
- She used a VPN which replaced her actual IP address and encrypted her internet traffic. That meant her IP address could change every time she connected to the internet, or it could remain the same or be shared by multiple users around the world. And device details such as operating system, browser type, and location were subject to change. So IP logs from Trading 212 weren't definitive proof of authorised access.

- Mrs K had secured all her devices and her network so any unauthorised access was due to external vulnerabilities beyond her control. This could include vulnerabilities in Trading 212's systems which should be investigated.
- Trading 212 had failed to adhere to the FCA's Principles for Business by: not acting Mrs K's best interests when it didn't resolve her unauthorised transactions; not communicating security measures in a way that was clear, fair and not misleading; and by not protecting Mrs K's assets when it was responsible them.
- Trading 212 had breached the FCA's client money rules by not protecting her funds.
- Trading 212 breached the FCA's rules under DISP by failing to properly investigate her complaint.
- Trading 212 failed to act with due care and skill.
- Trading 212 failed to put Mrs K back in the position she would've been in if there'd been no error or unauthorised transaction.
- Although Trading 212 said Mrs K had made a financial gain from the transactions, her concern was that there'd been a breach of security which resulted in a loss of trust.

Because no agreement could be reached, the complaint was passed to me to review afresh and make 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.

Having done so, I'm not upholding the complaint. I'll explain why.

The purpose of this decision is to set out my findings on what's fair and reasonable, and explain my reasons for reaching those findings, not to offer a point-by-point response to every submission made by the parties to the complaint. And so, while I've considered all the submissions by both parties, I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances.

Mrs K has said she categorically states that she didn't make the transactions in question. She's questioned whether a vulnerability in Trading 212's systems is responsible for the transactions. And she's said the fact she uses a VPN means that evidence of the IP address used in her account doesn't conclusively show she was responsible for the transactions.

In circumstances where there's no definitive evidence in support of either party to a complaint, I make my decision based the balance of probabilities – in other words, what I consider is most likely to have happened in the circumstances as set out.

In this case, the evidence provided by Trading 212 about the IP address used to log in to Mrs K's account shows a pattern of use by the same IP address, including at the time of the trades Mrs K has disputed and also before and after the dates of those trades. I don't think this is consistent with Mrs K's account having been used by someone not authorised to use it. Mrs K said her IP address could remain the same even if she used a VPN. So the fact she's said she used a VPN doesn't suggest someone else used her account to make the transactions she's complained about.

Mrs K also said the same IP address could be used by multiple people around the world. But I find it unlikely that a person otherwise unconnected to Mrs K would have had the same IP address and have made unauthorised transactions in her trading account – in particular the transactions about which Mrs K has complained, which involved a small financial gain to her and no transfers or withdrawals of any cash.

Having considered all the available evidence I can't conclude, on the balance of probabilities, that Trading 212 has made an error that's allowed or caused unauthorised transactions on Mrs K's account.

Mrs K has referred to various rules in the FCA handbook and other requirements that apply to Trading 212 as a provider of regulated financial services. I've considered each of the points she's made. I don't dispute that the requirements exist. But Mrs K is saying Trading 212 has fallen short of these requirements because it hasn't reversed the transactions she doesn't recognise. Because I don't agree that Trading 212 has made any error in relation to the transactions, I can't make a finding that it has therefore breached the various requirements Mrs K has mentioned. And the existence of the requirements themselves doesn't show that Trading 212 has failed to comply with them.

Mrs K has also said Trading 212 didn't sufficiently investigate the possibility that an error in its systems caused the transactions she doesn't recognise. I don't agree with that. Trading 212 investigated the use of Mrs K's account. Having seen a consistent pattern of log ins from what's likely to be her IP address, and having found no discrepancies or other evidence of unauthorised access, I don't think there was a need for Trading 212 to investigate further. The transactions Mrs K disputes appear in Trading 212's records in the same way as other transactions. There's no indication a problem with Trading 212's systems has occurred.

Overall, I recognise Mrs K's strength of feeling about this. I know she's adamant that she didn't make the transactions. But having considered everything carefully I can't say Trading 212 has done anything wrong here. So I won't be asking Trading 212 to take any action.

### **My final decision**

For the reasons I've set out above, my final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 10 December 2024.

Lucinda Puls  
**Ombudsman**