

The complaint

Mr H complains about eToro (UK) Ltd (eToro). He said he was unable to access the trading app. He said he was trying to extend a stop loss one of his positions, but due to eToro's error, he was unable to. He said not being able to do this lost him money, as the stop loss was triggered. He would like the losses he incurred here, returned to him.

What happened

Mr H had a trading account with eToro. On 14 April 2024, Mr H went to access his account on eToro's trading application, but couldn't get in. He said this continued to be the case, and he was unable to do what he wanted with his open positions on contracts for differences (CFDs) that he held.

Mr H said he contacted eToro on 18 April 2024, to let them know what happened and to ask for compensation for all of his losses on the position that had its stop loss triggered. His losses were for around \$180.

A day later, eToro confirmed that there had been a system outage issue, and it was a problem from its side. It said its technical team had confirmed this was the case. It also said it could see that Mr H's position in Canaan Inc was closed because the stop loss Mr H had set up, had been triggered, resulting in a loss. It said in order for Mr H to edit the stop loss, he would have had to use the 'maintenance margin' feature, which deducted funds from the available balance as a safety measure. It said Mr H would have been unable to do this, as he didn't have the funds to do so.

Mr H responded and said eToro's stance was not acceptable. He said he would have closed a position on another investment, and used the money to increase the stop loss with regards to his position in Canaan Inc. He said it was his most important investment at that time.

On 28 April 2024, eToro responded again, and said it was sorry for any inconvenience in Mr H not getting access. It said it couldn't always guarantee his ability to place or amend orders. It reiterated Mr H didn't have enough in his account to increase his stop loss. Mr H was not happy with eToro's response and referred his complaint to our service. He said he couldn't transfer any funds into his account because he couldn't get access.

An investigator looked into Mr H's complaint. He said he didn't think eToro needed to take any action. He made the following points:

- Both parties agreed there was a system outage.
- Terms and conditions of Mr H's trading account stipulate that eToro would not be liable for Mr H's losses, if there is a system outage. He said Mr H would have agreed to this when he opened his account.
- Evidence supports Mr H's intentions to edit his position, but it doesn't show what would have happened. It may well be Mr H would have been in a worse position. He couldn't conclude that Mr H would have incurred no losses.
- There was an insufficient balance in the account to extend the stop loss.

- Although it must have been frustrating for Mr H, it was not uncommon to have technical issues affecting functionality. eToro's terms covered what the parties had signed up to here, and that is that the service it provided was not guaranteed.
- For the reasons he gave he didn't uphold Mr H's complaint

Mr H was not in agreement with the investigator's view. He said he would have closed his smallest investment / position and put the proceeds in to extend his stop loss on his position in Canaan, to keep it open. He said the system outage stopped him from acting. He said if the trading application was working as it should have, he would not have incurred losses. He said if the platform stopped working then so did his consent for eToro to hold his money.

Because the parties are not in agreement, Mr H's complaint has been passed to me, an ombudsman, to look into.

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 independently reviewed Mr H's complaint and have arrived at the same outcome as the investigator, for the same reasons. I will explain why and address again what I think the crux of Mr H's complaint is, this being that he couldn't gain access to his account, and this incurred him losses, as he couldn't change the stop loss he had applied to his position in Canaan Inc.

I do understand Mr H's frustration with the system outage that meant he was not able to gain access and also not receive all of the functionality that he would have normally been used to. This was particularly relevant to Mr H's complaint from 14 April 2024 to 18 April 2024, when he tried to gain access up to the point where the stop loss for his position in Canaan Inc was triggered.

There's no dispute between the parties that eToro experienced a technical issue on the dates in question. It's accepted by both parties, that this was the case. The issue in dispute is whether eToro should pay compensation to Mr H or not. eToro's position, is that it can't give a guarantee that its services would always be available and that occasionally technical issues would occur. It said in this case it didn't think Mr H was able to adjust his position anyway as he didn't have the funds to.

I do understand Mr H's argument that he would have gone in and closed another position, and used the funds from this to extend his position in Canaan Inc. The problem I have is determining what the situation would ultimately have been if he had done what he had said he would do, this being sold another position and edited the stop loss.

Mr H has been adamant that he would have done this, but I am not persuaded about the further detail here, about which position he would have sold, whether he would have made a loss on this, about what he intended to change the stop loss on Canaan to, in terms of a new level and at precisely what point that this all would've happened.

I can't on balance, fairly say that if the system outage had not occurred, that Mr H would have reversed all his losses on his position, as he has said he would have done, and it is just as likely that he would've ended up in a worse position. So, for this reason, I don't think it would be fair and reasonable for me to ask eToro to compensate Mr H here, as I don't think I can fairly say to what degree the system outage impacted on him or the loss he made in this instance.

As I said at the outset, I do appreciate that this type of situation, where a technical issue impacts the functionality of a trading service, is very frustrating. But it's not an uncommon one, across all trading platforms of this type. And, as is the industry norm, eToro's terms, which Mr H agreed to at the outset, take account of this and explain that its service is not guaranteed.

In conclusion, based on my findings provided above, It follows that I don't uphold Mr H's complaint.

My final decision

My final decision is that I do not uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 April 2025.

Mark Richardson
Ombudsman