

The complaint

Mr B has complained about IG Index Limited ('IG') as he is disputing its claim for £11,350 which it says he owes.

What happened

Mr B opened a spreadbetting account with IG on 23 November 2021. 27 credits were added to Mr B's IG account between 17 and 28 October 2022 for a total of £16,850 using his bank card ending number 8070.

Because of this Mr B found his bank account was overdrawn and contacted both IG – as it looked like duplicate payments were made – as well as his own bank. Mr B was under the impression the issue was being resolved between his own and IG's bank.

After the deposits in October 2022, Mr B continued to trade as usual as well as adding further funds – none from card number ending 8070 – and taking withdrawals, until 7 June 2023 when Mr B closed all his positions. On 13 June 2023 18 chargeback transactions originating from Mr B's bank took place on Mr B's IG account totalling £11,350.

In October 2023 IG tried to contact Mr B to get the funds returned but without success so initiated court proceedings. Mr B wasn't happy about this and brought his complaint to the Financial Ombudsman Service. IG didn't issue a response to Mr B's complaint but allowed this service to look at it. Our investigator who considered the complaint didn't think IG needed to do anything more. He said;

- He outlined the history of Mr B's account and the complaint.
- Mr B traded on what he said were duplicated deposits and it was reasonable to conclude Mr B would have paused trading until the issue was resolved.
- While Mr B did initiate contact with IG in October 2022 he didn't respond to its later attempts at contact, so IG was unable to investigate the problem.
- IG was acting within the customer agreement terms in trying to have the outstanding funds repaid.

IG didn't have any further comments to make in response to the investigator. Mr B sought additional information from his bank which he thought would offer further evidence but didn't provide anything more for the investigator to consider.

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.

As further background I can see that Mr B emailed IG on 29 October 2022 after he found that his bank account was overdrawn and;

'...the only transactions that don't like right are to IG. From my statement it shows many more payments to IG than I even have funds to cover so not sure firstly how that's even possible or secondly why this has happened or what to do about it.'

While Mr B was in contact with IG he was also in contact with his bank. He says it was confusing, but his understanding was the issue was being dealt with by his own and IG's bank. During this time IG did try unsuccessfully to contact Mr B leaving messages for him to call back.

Mr B has given us a copy of his bank account statement for the period 15 to 31 October 2022 showing all transactions of payments to IG. They total £28,200. For the same period – 17 to 28 October 2022 – Mr B's 'ledger summary' shows a credit to his IG account from card number ending 8070 totalling £16,850 which is £11,350 less than the amount showing on Mr B's bank statements. It was the amount of £11,350 Mr B's bank charged back from IG in June 2023.

So, Mr B's bank did take some action in June 2023 by claiming back £11,350 and Mr B confirmed his bank returned the erroneous amounts to him. However, it's not clear to me where the total balance of £28,200 went as the 'ledger summary' only confirmed £16,850 received in Mr B's IG account compared to the bank statement he has provided. But Mr B has told us some of the amount paid out by his bank were duplicates and he said that his bank 'had returned the erroneous amounts to me after it had left my account severely overdrawn at the conclusion of their investigation'. In any event Mr B continued to trade with the funds credited to his IG account.

It's not clear why Mr B's bank didn't attempt the chargeback of those funds at an earlier date after Mr B discovered the issue in October 2022 if they had been made in error. Nor do I know what refunds were reflected on Mr B's bank account statements from October 2022 and onwards – he didn't provide anything further for me to consider – after he brought the error to his bank's attention. But if Mr B has concerns about that it is something he needs to resolve with his bank.

I asked why IG didn't challenge the chargeback in June 2023 – allowing Mr B's spreadbetting account to go into negative equity – if it didn't agree the claim was justified. IG confirmed that it did challenge the issuing bank – Mr B's bank – about the chargeback but the issuing bank decided in favour of Mr B. IG explained that IG can't simply refuse chargeback requests as it is the card issuer's prerogative to determine who is liable and I accept that point.

However, the outcome of the duplicate payments is that those funds were available on Mr B's IG account from October 2022 and Mr B traded using those funds. And I haven't seen any reason why IG would have thought there was anything untoward in him doing so with the funds credited to his account.

I say this because Mr B did contact IG on 29 October 2022, and IG requested evidence so it could look into the deposits Mr B said were duplicated. Mr B didn't provide this evidence, and IG tried to contact him. On 2 November 2022 Mr B confirmed to IG that his bank was looking into the issue and he would let IG know if he needed anything further. Mr B didn't contact IG and carried on trading until 7 June 2023 when he closed his positions and a week

after that the chargeback took place. IG tried to contact Mr B by email on 16 October 2023 and 30 January 2024 – it's not evident why IG took so long in trying to retrieve the funds – but there was no response from Mr B, so it instructed legal proceedings.

Mr B appears genuine in bringing his complaint and that he thought the duplicated payments were being resolved between his own and IG's bank. My understanding of how a chargeback works is that the bank – Mr B's – would recredit a customer's account with the disputed transactions amount pending it seeking resolution by the card scheme provider. From what Mr B and IG told us I think seems likely to have happened in this case. And this may have been what caused Mr B to think the matter had been resolved when the money was repaid to him by his bank. But the fact remains that he traded with IG using funds that were later claimed back by Mr B's bank. So, Mr B owes those funds to IG.

In response to the complaint IG has relied on the terms of its customer agreement in reclaiming the funds;

'Clause 17(1)(a):

Each of the following constitutes an 'Event of Default': [...] your failure to make payment to us or to any Associated Company of ours in accordance with the conditions set out in Terms 15 and 16.'

Clause 16(1):

All payments to be made under this Agreement, other than payments of Limited Risk Premium and Margin which are due and payable in accordance with Terms 6, 13 and 15 respectively, are due immediately upon our demand which may be oral or in writing. Once demanded, such payments must be paid by you, and must be received by us in full cleared funds on your account.'

I don't find that IG is being unreasonable in using those terms and agree the debt owing on Mr B's account is due back to IG as it constitutes an 'Event of Default.'

So while I may have sympathy for Mr B for the position he now finds himself in, which he says is no fault of his own, it remains that he did receive the service/goods from IG, in that he carried on trading with the disputed funds, and so the payment of the service/goods Mr B received is now due to IG.

It follows, that I don't uphold Mr B's complaint. I appreciate this will be a disappointment to him as its clear he understandably feels strongly about his complaint. And I would like to thank him for the time and effort he has spent in bringing it. But I hope I have been able to explain how and why I have reached my decision.

My final decision

For the reasons given, I don't uphold Mr B's complaint about IG Index Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 November 2025.

Catherine Langley
Ombudsman