

The complaint

Mr S complains that eToro Money UK Ltd didn't do enough to prevent him losing money to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. Mr S held an account with eToro and between May 2022 and May 2023 he made a series of withdrawals / payments from his eToro account to an account he held with 'B'. Together the payments totalled around £28,600 and the largest individual payment was for around £2,085. Within this time period there also appear to be credits to the value of around £2,200 back into Mr S' eToro account from B.

Mr S says that he was scammed and lost all the money from B. Mr S complained to eToro who ultimately said they didn't think the activity was suspicious or that the loss was as a result of the payments from their account. The matter was referred to our service and one of our Investigators didn't recommend it should be upheld. In summary he didn't think eToro had acted unfairly, Mr S disagrees and has asked for an Ombudsman to review his complaint.

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've reached the same outcome as our Investigator and for similar reasons. I know this will be disappointing for Mr S, so I'll explain why.

Firstly, it isn't entirely clear if the payments / withdrawals Mr S instructed from his eToro account were made as part of the scam – that being they were made under the direction of the scammer. Or if Mr S just moved money between his accounts and was scammed and lost it from his account with B. But even if the payments from eToro were part of a scam, this isn't something I reasonably think they should've stopped.

The statements from Mr S' eToro account show that he primarily used it to make payments to and from his linked investment account. And when he instructed eToro to move money from their platform to his account elsewhere, I don't think this would have stood out as unusual or suspicious. The payments were spread out over many months, and most of them were for a few hundred pounds.

eToro say they didn't intervene before following Mr S' payment instructions. In the circumstances of this complaint, I don't think that was unreasonable. I don't think the account activity was unusual, suspicious or indicative of a potential problem such that eToro ought to have done more. I've taken account of Mr S' comments about B when making this finding.

And as the payments all went to Mr S' own account with B, I don't think eToro ought to have done more with regard to trying to recover the same. If the payments were still in the account with B, Mr S himself would have had access to them.

In response to our Investigators view, Mr S also said that he would like reimbursement from the FSCS. The Financial Services Compensation Scheme is a separate entity to our service. It is generally there to support consumers when a regulated firm has gone out of business. If Mr S believes he has a valid claim of that nature, he should contact FSCS, but it isn't a basis upon which I could reasonably require eToro to make a payment to him.

Mr S also made reference to other businesses with whom he holds or held accounts, but this decision can only consider the actions of eToro. So whilst I'm sorry to hear Mr S has lost money, because I don't think this is something eToro are responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 April 2025.

Richard Annandale
Ombudsman