

The complaint

Mrs S complains that Trading 212 UK Limited ('Trading 212') unfairly closed her account.

What happened

Mrs S had a stocks and shares ISA with Trading 212. On 10 June 2024 Trading 212 sent her an email titled '*Account Termination Notice*'. The email said Mrs S's account would be closed immediately. It said its decision related to article 33.6 its terms of service.

Article 33.6 said the following:

'33.6. We may terminate all or any part of this Agreement immediately on written notice if:

a. you commit a breach of any of your obligations under this Agreement;

b. there are events as described in Clause 30., "Force Majeure";

c. we suspect that you may be engaged in fraud, money laundering, funding terrorism and/or any relevant criminal conduct;

d. you have failed to complete or adequately satisfy our source of wealth and/or KYC documentation requirements.'

Mrs S sent various chat and email messages to Trading 212 asking for further information about its decision. Trading 212 told her she or a third party had uploaded identity documents to her account which belonged to a third party and this was a breach of terms because Trading 212's accounts were provided for personal use only. Mrs S said no such documents had been uploaded to her account. She said she hadn't uploaded any documents on her account since the time she opened the account. Trading 212 said the documents had been uploaded from Mrs S's device. Trading 212 said it hadn't seen any indications her account had been hacked.

Mrs S complained to Trading 212. Trading 212 didn't think it had done anything wrong. In summary it said the following in response to her complaint:

- On 10 June 2024 Trading 212's app prompted Mrs S to submit a selfie. She uploaded a selfie of another person, which its system rejected. The system then prompted Mrs S to upload an identity document. She provided both sides of a driver's licence belonging to the individual in the selfie who was not Mrs S. These actions triggered Trading 212's security system, leading to its decision to close Mrs S's account.
- The terms and conditions which Mrs S had agreed to on 14 February 2024 said at point 5.1 it wasn't permitted to open or operate an account on a third party's behalf. And Trading 212 reserved the right to unilaterally close any such accounts it became aware of.

- Trading 212 reserved the right under point 33.6 to close an account immediately on written notice in various circumstances including if Mrs S breached any obligations under the agreement or Trading 212 suspected she might be engaged in fraud or she failed to complete or adequately satisfy its 'know your customer' documentation requirements.

Mrs S wasn't satisfied with Trading 212's response. She referred her complaint to this service. She said neither she nor her spouse had uploaded anything on the day in question and Trading 212 had refused to provide any evidence it had happened. She said she'd logged on many times previously without being asked to upload anything. So she wasn't persuaded by what Trading 212 said and she thought it shouldn't have closed her account. She said her investments had been sold mostly at a loss and she'd now lost ISA status for those funds. She wanted to be compensated for those things as well as reimbursed for fees she'd paid to Trading 212 and compensated for distress and inconvenience.

One of our Investigators looked into Mrs S's complaint. He didn't think Trading 212 had done anything wrong. In summary he said the following:

- To uphold the complaint he'd need to be able to conclude Trading 212 had acted unfairly or unreasonably, or against the terms and conditions.
- Mrs S and Trading 212 gave different versions of events.
- Trading 212 provided evidence of a third party uploading a selfie and two sides of a driver's licence to Mrs S's account in response to what Trading 212 said was a regular verification check. Trading 212 said the evidence couldn't be shared with Mrs S because it contained a third party's personal details, but the investigator had seen enough evidence to be satisfied.
- Trading 212 had legitimate concerns over her account and closing the account was in line with the terms and conditions.

Mrs S didn't agree with the investigator's view. In summary she continued to dispute that the documents had been uploaded to her account and she wanted to see the evidence.

The investigator said he understood Mrs S's frustration but his view was based on the evidence provided to him in relation to Mrs S's account which was the subject of this complaint. And he couldn't comment on what had happened on another person's account. He said Trading 212 had provided sufficient evidence from what appeared to be its internal system to show documentation from a third party was uploaded to Mrs S's account. And the investigator had no reason to think Trading 212 had altered the evidence. And he said Trading 212 was entitled to carry out a routine check and didn't need to provide further evidence about why it did that. Ultimately the investigator thought the evidence indicated there'd been a breach of terms on Mrs S's account and Trading 212 hadn't been unreasonable to have concerns and administer the account in line with the terms and conditions.

Mrs S further said there was no evidence showing who had uploaded the documentation to her account and it could've been an error by Trading 212. She also said she hadn't questioned whether Trading 212 had the right to perform a routine check, but she'd wanted to know what prompted it because in her time with Trading 212 it had never done such a check before. She also still wasn't satisfied without having seen the evidence.

Because no agreement could be reached, this 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, and having reviewed everything afresh from an independent standpoint, 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 S has disputed what Trading 212 has said about documents being uploaded to her account on 10 June 2024. Where there's a dispute about what happened I base my decision on the balance of probabilities. In other words, I base my decision on what I consider is most likely to have happened in the light of the evidence. The evidence I've seen includes the selfie and both sides of the driver's licence that Trading 212 said were uploaded to Mrs S's account. I've also seen a record from Trading 212's internal system showing that the licence was uploaded on 10 June 2023. I've seen no indication of a system error and I don't have sufficient basis to say Trading 212 is likely to have altered or fabricated the evidence in order to close a customer's account.

Overall, the information contained in the evidence is enough to persuade me, on the balance of probabilities, that it's more likely than not the documents were uploaded to Mrs S's account on 10 June 2024. I understand Mrs S might be unaware that this happened, or unaware how it happened. But having looked at this independently I've accepted, on balance, that it did happen. And I've gone on to consider whether Trading 212's response to it was fair and reasonable.

Trading 212's terms and conditions said customers weren't permitted to open and operate an account on a third party's behalf. The fact that a selfie of a third party and then a third party's identification were uploaded to Mrs S's account gave Trading 212 a valid basis for concern that Mrs S's account was operated by a third party or on a third party's behalf. And so I'm not satisfied I can say it was unreasonable or unfair for Trading 212 to consider there'd been a breach of its terms on Mrs S's account. And in light of that I'm satisfied Trading 212 acted reasonably and in line with its terms and conditions when it closed her account in the way provided for under clause 5.1 of the terms.

In terms of notice, Trading 212's terms and conditions allowed it close an account immediately upon written notice. Mrs S has acknowledged she received written notice shortly before Trading 212 closed her account. So I think it acted in line with the terms and conditions in relation to the notice it gave too. And I don't see that it ought reasonably to have acted outside the terms and conditions on this occasion.

I certainly understand Mrs S's frustration over the sudden closure of her account. But having considered everything I can't say Trading 212 has acted unfairly or unreasonably in the circumstances of this complaint. So I won't be asking Trading 212 to do anything.

My final decision

For the reasons I've set out 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 Mrs S to accept or

reject my decision before 16 June 2025.

Lucinda Puls
Ombudsman