

## **The complaint**

Mr H complains about Freetrade Limited (Freetrade). He said he received two notices from Freetrade each month instead of one. He said one confirmed payment and the other stated the subscription was unpaid. Mr H said this resulted in his account being restricted. He would like Freetrade to resolve this so that the service he can receive the service he pays for, uninterrupted.

## **What happened**

Mr H has a trading account with Freetrade. He said he started receiving two notices each month: one confirming payment and the other saying his subscription fee was unpaid. He said this resulted in Freetrade restricting his account.

Mr H said Freetrade had worked out that there was a dormant account in his name that somehow became reactivated, and this was at the root cause of the issue. He said even though it had identified this, he continued to get two notices from it.

Freetrade said in response that the confusion had been caused by there being two accounts opened in Mr H's name. It said the first one was opened on 20 August 2020 but wasn't upgraded to a fee-paying account until 5 January 2024. This was the duplicate account.

Freetrade said Mr H already had an open account that was created on 3 September 2020 and was upgraded to a fee incurring account on 5 April 2021. It said this was his main and open account.

Freetrade said it realised Mr H had two accounts on 9 January 2024. It said in accordance with its terms and conditions, Mr H could only have one account, so it sought to close the duplicate one. Freetrade said Mr H's payment method, expired on his open account and so he started to receive reminders to pay, and this account was restricted.

Freetrade said there was then an issue as his duplicate account was closed but he was still paying the monthly fee, and his second open account, he was not paying the fee as his card had expired.

Freetrade offered to put things right by making sure his duplicate account was cancelled along with the subscription owed each month. It arranged a refund of a fee paid in January 2024 in his duplicate account. It arranged for 1 month of credit for February 2024 in the open account. It said it had waived any outstanding fees for the open account for March to April 2024.

Freetrade said if Mr H wanted to carry on using its service then he would need to add a new card to the open account to replace the expired one.

Mr H was not happy with Freetrade's response and referred his complaint to our service.

An investigator looked into Mr H's complaint and sent his view on 26 July 2024. He said he didn't think Freetrade had acted fairly. He said overall Freetrade hadn't done anything

wrong regarding the failed payment collections on Mr H's open account. He concluded this had been down to the fact no valid payment card was registered.

The investigator said he did think though that Freetrade had made an error in continuing to collect subscriptions on the duplicate account when it confirmed it was closed. He said the subscriptions should have been cancelled at that point, from January 2024.

The investigator suggested Freetrade should refund any fees it hadn't already done so for the duplicate account since January 2024, plus interest. He also recommended Freetrade pay Mr H £100 for the distress and inconvenience it had caused him, as he was expecting there to be no more issues after it closed his duplicate account.

Mr H responded on 1 August 2024 and said he was happy to accept the investigator's recommendations to draw a line under matters. He said he just wanted to make sure and include a recommendation for Freetrade to close the duplicate account.

On 16 August 2024, Freetrade said it accepted the investigator's recommendations and would provide Mr H with compensation as soon as possible.

Mr H was then contact our service on 22 September 2024 to say he had not received any compensation from Freetrade or heard from it about what had been agreed.

Our service then tried to contact Freetrade on a number of occasions to obtain an update about this complaint, but we didn't receive a response. So, as it has now been several months and there has been no contact from Freetrade about it paying compensation to Mr H, that it agreed to, his 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 can see that both parties agreed with the recommendations provided by the investigator, and so it is disappointing that Freetrade has not responded to the investigator or Mr H about the recommendations that it has accepted.

Both parties have told our service they agree with the findings provided by the investigator, so I don't need to go into the detail again, other than to say, I agree with them too. I think Freetrade made mistakes here and continued to charge Mr H subscription fees on an account that it had already closed. I think it should ensure that these are paid back with interest.

In addition, it is clear here that it was Freetrade's mistake that caused confusion and in turn distress and inconvenience to Mr H. He has had to endure trying to resolve matters with Freetrade and it is still not clear whether Freetrade has closed this account or not. I think it is fair and reasonable that Freetrade should pay Mr H £100 for the distress and inconvenience it has caused.

### **Putting things right**

Freetrade has made a mistake and should put things right. It needs to put Mr H in the position he would have been in but for its mistake. It should:

- Refund any fees it charged Mr H on the duplicate account that was created in August 2020, between January and April 2024, less any fees it has already refunded to him on this account. If it has taken any more fees after April 2024 in relation to this account it should refund these as well.
- With regards to any refunded fees due to Mr H, pay 8% interest per annum from the date the fee was taken to the date of settlement. This is because Mr H has been denied use of this money.
- Ensure the duplicate account that was created in August 2020, has been closed and the subscription cancelled to ensure no fees are taken going forward.
- Pay Mr H £100 for the distress and inconvenience it has caused.

### **My final decision**

My final decision is that I uphold Mr H's complaint about Freetrade Limited. I direct Freetrade Limited to put things right as I have described above.

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

Mark Richardson  
**Ombudsman**