

## **The complaint**

Mr G complains Trading 212 UK Limited didn't tell him about a scheduled reduction in the interest rate when he agreed to an Individual Savings Account (ISA) with it. Mr G also complains about complaint handling by Trading 212.

## **What happened**

Mr G opened a new cash ISA with Trading 212 on the afternoon of 26 August 2024 at an interest rate of 5.2%. The rate for this ISA reduced to 5% on 10 September. Mr G complains he didn't receive any notification regarding this reduction as per Trading 212's terms and conditions.

Mr G said had he known the rate was due to change, he would have considered alternative ISA providers. He said the advertising on the website was misleading when he took out the ISA.

Mr G also explained he had difficulties logging a complaint, explaining he had to request his complaint was logged three times. As a resolution, Mr G wants to be paid interest at 5.2% between 9 September and 23 September, and to be compensated.

Trading 212 wrote a final response to Mr G in November 2024. It confirmed it decided to lower the rate from 5.2% to 5% and sent correspondence to investors on 26 August. Trading 212 explained this notification was sent earlier in the day, before Mr G had completed his application in the afternoon.

Trading 212 referred to its terms and conditions. These show interest rates could be subject to '*immediate change*' but confirmed it would notify customers at least one day before any lowering of the rate. It accepted Mr G would not have received the notification sent on 26 August, due to the timing of when he opened his new ISA which was after 5pm, but said Mr G would have received notification on 9 September. It also confirmed this was the last day he received interest at 5.2%.

Trading 212 apologised for any misunderstanding but did not uphold Mr G's complaint.

Our investigator didn't think Trading 212 had done anything wrong. They explained they could understand why Mr G thinks Trading 212 should have notified him about the rate change earlier than 9 September but didn't think it had acted outside of its terms and conditions or had made an error.

In response to our investigator's recommendation, Mr G has said Trading 212 did not provide him with one days' notice as the rate changed on 9 September.

## **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 appreciate how strongly Mr G feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

The issues for me to determine is whether Trading 212 complied with its terms and conditions, and whether it provided sufficient correct information to Mr G when he arranged the cash ISA.

I would assure Mr G I have considered his response to our investigator's recommendation when making my decision. To briefly summarise I can see he disputes receiving any notification before the rate changed, stating the rate changed on 9 September as per the notification he received on his app, not 10 September as claimed.

Firstly, I can see Mr G accepts he did indeed receive a notification in the app on 9 September advising the rate was reducing. Mr G has said this notification was that the rate was changing *on* 9 September, not the following day, and was therefore not provided with the one-days notice as required.

Trading 212 has explained it hasn't kept a copy of the specific correspondence sent to Mr G, sadly this is not unusual with online platforms, but has provided evidence from its system showing a '*reduction in GBP interest*' message was sent to Mr G at 1.58pm on 9 September.

Trading 212 has confirmed Mr G received interest at 5.2% on 9 September, before it reduced to 5% the next day. I have not seen any evidence to dispute this and am therefore satisfied, on balance, this was paid as stated. For context, I understand the sum in dispute here between the two rates for this one day is a few pence, based on Mr G's holdings.

Moving on now to the advertised rate and whether this was misleading. I am aware Mr G did benefit from the rate of 5.2% interest for a short period after agreeing to the ISA, demonstrating to me this was a genuine rate which was applied to Mr G's balance. The rate was therefore accurate at the time he took the ISA out and agreed to the terms and conditions as explained above. With such products, rates often change and it is inevitable some will only benefit from higher rates for a short period of time depending on when they take out the ISA.

I am therefore satisfied, on balance, the evidence shows Trading 212 complied with its terms and conditions. It was entitled to change the rate, provided it notified customers in line with the agreed terms and conditions. From the evidence I have seen I am persuaded Trading 212 notified Mr G of the lower interest rates one day before they occurred.

Furthermore, I understand the type of ISA Mr G has with Trading 212 is one which he can switch at any time. I therefore think any potential losses here are limited by this as he isn't tied-in to any rate for an extended period. If Mr G is dissatisfied with the rates, at any time, he can switch to another provider.

I appreciate Mr G explained he had to log his complaint three times with Trading 212. I can see Trading 212 issued a final response in early November, in line with required time frames for investigating and responding to complaints. I have not seen any evidence of Mr G raising this issue with Trading 212 or providing any evidence of these issues regarding making his complaint.

However, in any event, complaint handling appears not to have been considered by Trading 212 and isn't referred to in its final response which is only concerned about the change to interest rates and notification. The rules which govern our service means we are not able to consider complaints which have not been considered by the business first.

I therefore do not uphold Mr G's complaint about Trading 212. I appreciate he will be disappointed with my decision, but I trust I have explained the rationale for it in sufficient detail.

**My final decision**

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 March 2025.

Gareth Jones  
**Ombudsman**