

The complaint

Mr Z complains IG Index Limited trading as IG ('IG') unfairly increased its fees without giving him proper notice.

What happened

Mr Z had a spread betting account with IG.

On 26 January 2024 IG emailed Mr Z saying that – as of 8 February 2024 – it would increase the annualised overnight funding charge for its forex service from 0.8% to 1.0%.

Mr Z complained to IG that it failed to give the 10 business days' notice required by its terms and conditions. And he said terms 28(2) of IG's customer agreement said IG would '*only make changes for a good reason ... (b) making this Agreement more favourable to you*'. He also said the price increase didn't reflect a fundamental change to the service IG was providing.

IG didn't think it had done anything wrong. In summary it said the following:

- It had emailed Mr Z on 26 January 2024 telling him about the change, and saying the change would come into effect on 9 February 2024. It now provided a record showing Mr Z had opened that email on the day it was sent.
- Term 28 of the customer agreement said the following:

28. AMENDMENT AND TERMINATION (1) We may amend this Agreement and any arrangements made under or in connection with this Agreement at any time by written notice to you. You will be deemed to accept and agree to the amendment unless you notify us to the contrary within 10 business days of the date of our amendment notice. If you do object to the amendment, the amendment will not be binding on you, but your account will be Suspended and you will be required to close your account as soon as is reasonably practicable. Any amendment to this Agreement will come into effect on the date specified by us which will, in most cases, be at least 10 business days after you are deemed to have received notice of the amendment in accordance with Term 14(10) (unless it is impractical in the circumstances to give 10 business days' notice).

- IG had given Mr Z sufficient notice.
- The decision to increase the fee was an internal business decision. IG couldn't release information about that decision because doing so would make the decision less effective.

Mr Z wasn't satisfied with IG's response. So he referred his complaint to this service. He said IG had breached its terms and conditions by not giving enough notice and by making a change to its customer agreement that didn't make the agreement '*more favourable*' to him despite section 28(2) of the customer agreement requiring any change to be in favour of the

customer. And IG didn't introduce any corresponding service improvement to justify the increase in the fee.

One of our investigators looked into Mr Z's complaint. The investigator concluded IG hadn't done anything wrong. In summary she said the following:

- Mr Z had agreed to the terms and conditions in the customer agreement when he opened his account.
- Term 28(1) allowed IG to amend the agreement. It said:
'We may amend this Agreement and any arrangements made under or in connection with this Agreement at any time by written notice to you. You will be deemed to accept and agree to the amendment unless you notify us to the contrary within 10 business days of the date of our amendment notice. If you do object to the amendment, the amendment will not be binding on you, but your account will be Suspended and you will be required to close your account as soon as is reasonably practicable. Any amendment to this Agreement will come into effect on the date specified by us which will, in most cases, be at least 10 business days after you are deemed to have received notice of the amendment in accordance with Term 14(10) (unless it is impractical in the circumstances to give 10 business days' notice).'
- IG had provided a copy of its 26 January 2024 email to Mr Z and a screenshot showing the email had been opened on the day it was sent.
- Mr Z had chosen to keep his positions open after receiving the email.
- IG didn't provide the full 10 business days' notice mentioned in the customer agreement. But in the circumstances of this complaint an extra day of notice wouldn't have made any difference to Mr Z. Mr Z knew about the change from the day of the email notification. He didn't expressly say he objected or wanted to close his account.
- Term 28(2)(b) of IG's customer agreement which Mr Z had mentioned referred to changes to the terms of the agreement, not the fees. The firm could make a commercial decision to change its fees.
- Section 4 of the customer agreement provided a link to the IG website which set out up-to-date information about IG's fees and charges.

Mr Z disagreed with the investigator's view. He said he wanted to see evidence that IG's terms allowed it to give less than 10 days' notice. And he said the change IG made didn't make the agreement more favourable to him, despite the customer agreement requiring any change to do that.

The investigator considered Mr Z's comments but didn't change her view of the complaint, for the reasons she'd already given.

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, 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.

Looking at the date of the email and the date the email said the amendment would take effect, I see IG gave Mr Z nine business days' notice of the fee increase.

I understand Mr Z considers the fees formed part of his agreement with IG. And, based on section 28 of the customer agreement, he expected IG to give at least 10 business days' notice of any change to the terms. But section 28 of the agreement said that '*in most cases*' an amendment would take effect 10 business days after the customer was notified. So the customer agreement did provide that the notice could be less than that on some occasions.

Although I haven't seen a reason why IG couldn't have given 10 business days' notice on this occasion, I also haven't seen any reason to say that providing only 9 business days' notice caused Mr Z any detriment. Mr Z was aware of the forthcoming change in good time. He had the opportunity to cease using the services that were subject to the increased fee if he wanted to do that. Mr Z hasn't said he needed more time in order to do anything. So, considering everything, I don't see that Mr Z was caused any loss or other detriment as a result of the number of days' notice he received when IG changed its fee.

Mr Z has suggested that the customer agreement said IG would only make changes to the agreement if the changes made the agreement more favourable to Mr Z. The section of the customer agreement to which Mr Z referred said the following:

'We will only make changes for good reason, including but not limited to:

(a) making this Agreement clearer;

(b) making this Agreement more favourable to you;

(c) reflecting legitimate increases or reductions in the cost of providing our service to you;

(d) providing for the introduction of new systems, services, functions, changes in technology and products;

(e) rectifying any mistakes that may be discovered in due course;

(f) reflecting a change of Applicable Regulations; and

(g) reflecting changes in the way we do business.'

Our investigator said the changes mentioned here referred to changes to the agreement, not changes to IG's fees. But, even if I take them to refer to the fees as part of IG's agreement with Mr Z, this section of the agreement doesn't give me reason to uphold Mr Z's complaint. It listed '*making the agreement more favourable*' as one of several reasons why IG might amend the agreement. The reasons also included reflecting increases in the costs of providing the service, amongst other things. And the agreement said its reasons for making amendments wouldn't be limited to the reasons in the list. So I can't conclude that the

agreement only permitted IG to make changes that would make the agreement more favourable to Mr Z.

Mr Z said IG hadn't offered a corresponding service improvement when it increased the fee. But the level of fee IG charges is a business decision for IG and a change in the level of the fees need not necessarily reflect a corresponding change in service provision. Mr Z acknowledged the increased fee was in line with that of other businesses. Although he also said IG offered wider spreads than other businesses that doesn't mean it was unfair for IG to charge an overnight fee that was in line with those of other businesses.

Overall, I haven't found that IG treated Mr Z unfairly or unreasonably in the circumstances of this complaint. So I won't be asking IG to do anything.

My final decision

For the reasons I've set out above, my final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 14 June 2025.

Lucinda Puls
Ombudsman