

The complaint

Mr N complains that Interactive Investor Services Limited ("II") provided him with misleading information regarding making withdrawals from his trading account.

What happened

Mr N contacted II on 8 April 2023 to query how he could deposit funds to his trading account. II explained that he would need to make the deposit using his nominated bank account. Mr N contacted II again on 10 April 2024 to query a bank transfer into his trading account. Mr N asked if he was able to withdraw the funds easily to which II explained he could do so online into his nominated bank account. II called him back later the same day to make him aware that he also had the option to make the deposit using a debit card but didn't explain that it may have to pay any funds deposited in this way back to the debit card used.

Mr N then proceeded to deposit approximately £2.6 million over multiple debit card payments over a two-month period and subsequently made multiple requests to withdraw the funds before they were invested.

Mr N raised a complaint with II in August 2024. In summary, he said:

- He was incorrectly advised that all funds could be withdrawn to his nominated bank account but was later informed that they had to be withdrawn using the debit card he used to deposit the funds.
- He received a secure message advising his withdrawal had been stopped, despite receiving the payment in his bank account.

II considered Mr N's complaint and partially upheld it. In summary, it said:

- It failed to make him aware that funds added by debit card may need to be returned to the same card when he called to query the withdrawal process.
- It acknowledged that it had given him conflicting information regarding withdrawals when speaking to him on the phone.
- It had sent him a secure message stating that a withdrawal had been stopped due to a technical error on 2 September 2024.
- It said it always notifies a customer if a payment has failed, which it did and advised him of the next steps, confirming that the withdrawal would be relogged and that he could expect payment to be in his account the following day.
- However, it acknowledged that this would have caused him some confusion as it didn't include any specific details or a full explanation regarding the technical issue.
- Its standard policy is that uninvested funds will be returned to source within a 90-day period and after that they can go as a normal withdrawal. However, there are occasions it would enforce this after the 90-day period, such as when the deposits are high value.
- This policy is in place to ensure it adheres to its regulatory requirement to mitigate money laundering.
- It acknowledged that Mr N's reasons for logging larger, more frequent withdrawals is due to him having an issue with its published interest rates (which he has raised a

separate complaint about), however, in doing so, it has meant the withdrawal process has been more complex.

- It paid Mr N £270 to his nominated bank account for any distress and inconvenience cause.

Mr N remained unhappy and so he referred his complaint to this service for an independent review.

One of our investigators considered Mr N's complaint but felt II's offer was fair and reasonable. In summary, they said:

- No call recording from the 10 April 2024 was available for them to consider.
- They acknowledged that it would have been helpful for II to have clarified when it called Mr N back on 10 April 2024 that a different process for withdrawing funds deposited by a debit card may apply, but explained that the first call was regarding a bank transfer and the second call didn't include a discussion around withdrawals.
- II had a duty to provide information that was clear, fair and not misleading and whilst they felt II could have provided more information, they didn't think the information provided was misleading.
- II provided Mr N with an execution-only service and information regarding withdrawals was available on its website.
- II wouldn't have been aware that Mr N may have intended to not invest all the funds deposited or that he may wish to withdraw his funds within a short timeframe.
- II accepts that mistakes were made but they felt II's offer fairly reflected the distress and inconvenience caused and was in line with this service's guidance on award levels.

Mr N didn't accept the investigator's findings and so the complaint has been passed to me to decide.

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.

II accepts that there were instances of wrong and conflicting information provided to Mr N regarding withdrawal processes and has paid him £270 to compensate him for the distress and inconvenience caused. I understand Mr N feels the compensation amount is too low as it doesn't compensate him for any missed interest, due to the delays in II having to conduct checks before depositing his funds back to his debit card.

As such, the finding I must make is whether II's offer of £270 for the distress and inconvenience caused is fair and reasonable in the circumstances, or whether Mr N should also be compensated for any potential missed interest.

II provided Mr N with an execution-only service and I can confirm that information regarding withdrawals was available on its website. Under the "Withdrawing money from your account" section, II explains:

"Withdrawing cash which you have recently added by debit card

If you've added less than £1,000 by debit card, you can withdraw the money by bank transfer after one working day.

If you've added £1,000 or more and haven't invested it, you'll need to wait 90 days before you can withdraw the cash.

If you don't want to wait 90 days, we can process a debit card refund instead. Refunds can take up to 10 working days to process, returning the cash to the debit card you deposited with. Please call us to arrange a refund.

Important: Sometimes a debit card refund can still be needed even after 90 days. For example, if it's for a larger transaction, security, or to meet our regulatory obligations. We'll be in touch if that's needed."

II says that as Mr N opted not to invest the funds he deposited via his debit card, it could not facilitate a standard withdrawal for him. II's website, as stated above, explained that withdrawal of funds added by debit card and for over £1,000 could take 90 days to be returned. I think it's reasonable for II to have anti-money laundering processes in place, especially when these are for considerable amounts of money which haven't been invested and so I don't find such a delay to be unreasonable. As such, I'm not persuaded Mr N is due any potential missed interest.

Turning to the information provided to Mr N in April 2024 over the phone and on the secure message sent on 2 September 2024. As I've mentioned above, II accepts that it gave Mr N unclear information regarding the withdrawal process, and I appreciate this would've caused him some distress and inconvenience. Only the second call on 10 April 2024 is available and having listened to this, I can confirm that no information regarding withdrawals was provided. I agree that it would have been helpful of II to have confirmed the withdrawal process during this call, but I must also consider that Mr N didn't query this during the call.

Regardless, I'm satisfied that II acknowledged these mistakes promptly, and I agree with our investigator's findings that the £270 already paid fairly reflects the level of distress and inconvenience caused. I say this as the errors were limited to two occasions and on both occasions, some information was provided but I accept that II could have provided further clarity around the withdrawal process and the reason behind the withdrawal error in September 2024.

Whilst I appreciate Mr N's frustration in regard to not being able to withdraw his funds as quickly as he hoped, I'm satisfied II has acted in line with its published approach for debit card withdrawals and that it was adhering to its anti-money laundering obligations.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 24 April 2025.

Ben Waites
Ombudsman