

The complaint

Ms D complains that eToro (UK) Ltd closed her contracts for difference positions without her consent causing her significant financial losses.

What happened

Ms D held a contract for difference (CFD) trading account with eToro since November 2020. She said she invested around \$98,000 with the intentions of pursuing long term investment strategies. She said her positions were closed in June 2023 without authorisation which resulted in her suffering large losses.

In May 2024, she complained to eToro that they:-

- transferred her personal funds without her authorisation
- disrupted her long-term investment strategy
- caused losses amounting to approximately \$13,000
- failed to act in the best interests of their client and obtain explicit consent before executing trades on their behalf
- gave her an unsatisfactory service.

To resolve her complaint, she is seeking reimbursement of her financial loss of \$13,000, loss of profit compensation of \$500,000 to account for the disruption to her long-term financial objectives and an additional \$300,000 in compensation for mental distress and loss of trust. eToro didn't uphold her complaint and in their final response letter in May 2024 they said they'd requested information from Ms D as part of a review which she failed to provide. They said they were entitled to request this information and made a number of requests between February to May 2023. As she didn't respond to these requests, they closed her positions, paid the remaining funds to her and in June 2023 closed her account in line with the terms and conditions of the account.

As they didn't uphold it, she brought her complaint to this service.

The investigator considered the merits of the complaint and said eToro was clear about the information they needed from her and sent reminders for this. She also considered Ms D's personal circumstances but said she can only decide if eToro should have provided more time for her to respond if they knew she needed more time and why, but there is no evidence that they did know. She said they had acted fairly and didn't uphold the complaint.

As Ms D didn't agree with the investigator, this came to me for 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 agree with the investigator's conclusion for broadly the same reasons.

My role at this service is to resolve individual disputes between businesses and consumers. It is not my role to tell a business how they should operate or question their policies. That is the role of the regulator the Financial Conduct Authority (FCA). I must consider whether eToro have been fair and reasonable in their dealings with Ms D.

I haven't commented on every point Ms D makes and have focused on the issues that I think are key to the complaint, but I would like to reassure her that I have considered everything. In my review I examined the evidence that has been provided so I've started by looking at what information eToro requested and why. In February 2023 they asked Ms D for :-

- An official bank statement for the credit card ending *6361 showing transactions and funding sources from January to February 2023
- An explanation for the login discrepancies between India and the registered address in Georgia
- To update the economic profile questionnaire regarding her main sources of income.

eToro explained they'd asked for this information as part of a review created in February 2023 which prompted further enquiries about the source of her income. It is not unreasonable for a business to do this and is covered in section 12.9 of the terms and conditions. eToro made numerous requests, using different methods of communications between February to May 2023, giving her several months to contact them, so I can't reasonably say they did anything wrong in requesting this information or how they requested this.

A key part of Ms D's complaint is that there were unauthorised transactions conducted on her account without her permission, so I think it's important that I address this. Ms D's account is an execution only account, where trading decisions are made by her, and she is expected to manage the account. However, this doesn't mean every action taken by eToro must be expressly approved, in some circumstances eToro does not require express consent. The terms and conditions specifically give eToro authority to liquidate positions and close the account where certain terms have not been met. Section 12.11 of the terms and conditions expressly gives them authority to close an account where a consumer fails to provide the required information. The fact is that these are the terms that Ms D signed up to when she opened the account, so it stands to reason that she ought to be aware of these terms.

After several attempts to contact her via calls, emails and notification on the platform, they proceeded with a 30-day period from 12 May 2023 to manage her account and/or provide the information they'd requested. She was put on notice that the account would be closed if she didn't provide the requested information by 12 June 2023. This was in accordance with section 26.5 of the terms and conditions of the account. Ms D didn't contact them until 16th June 2023 by which point the account was already closed. At this point, it was for eToro to decide whether they chose to allow Ms D to continue trading or not – a business decision for eToro to make which I would not interfere with.

I appreciate Ms D providing us further information about the difficult circumstances she was facing during the same period, but like the investigator, I can only consider eToro's actions in this situation where they had knowledge of the situation. Ms D didn't respond to any of their communications, and I have not seen any evidence that she informed eToro of the difficulties she faced, and as such I can't expect that they should have done something differently.

I don't say this to be dismissive of the level of stress and financial difficulty Ms D has experienced and I know she will be disappointed with my decision, but I've not seen any evidence to support the claims she has made as such I'm not persuaded that eToro were unfair or unreasonable in closing her open positions and trading account. So, I won't be asking them to do anything.

My final decision

For the reasons given above, I do not uphold this complaint against eToro (UK) Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 19 December 2025.

Naima Abdul-Rasool
Ombudsman