

The complaint

Mr K complains Trading 212 UK Limited restricted his account because of the changes they made to their customer identity verification process which unfairly prevented him from accessing his funds in his trading accounts.

What happened

Mr K held a trading account with Trading 212 since 2020. When he opened his account, he fulfilled all identity verification at that time. After trading on the account for many years, in September 2024 he was asked to comply with new identity verification which required him to take a selfie. He said he didn't have a camera device and generally disagreed with this on privacy grounds. His account access was restricted pending completion of the verification process, which meant he couldn't open or close positions, withdraw funds or amend any automated payments for pre-existing investments.

Mr K raised several concerns about its necessity, adding that there is no legal requirement for such a process, nor did he agree to this. As requested, he provided a copy of his passport and bank statements and believes he has complied with the verification process. He expressed his dissatisfaction with being asked to comply with these new intrusive requirements when he had already been trading for many years.

He said he had contacted Trading 212 multiple times to complain between September to October 2024 before they responded to his complaint. He said multiple employees dealt with his complaint which only added confusion and inconsistency, ultimately failing to resolve the issues.

He says Trading 212 caused him potential financial losses, undue hardship, and a significant breach of trust and privacy rights. To resolve his complaint, he would like:-

- his account to be reinstated immediately
- ensure he's able to withdraw funds without further obstruction
- impose sanctions on Trading 212 for repeated failures in compliance, fairness and complaint handling.

In their final response letter in December 2024, Trading 212 say:-

- The selfie requirement is not based on a specific UK Law but is critical to their compliance with Anti-Money Laundering (AML) and Know Your Customer (KYC) regulations.
- Article 3.1 of the investment terms gives them the right to request photos or videos as part of the identity verification process.
- In line with Article 9.4 of the investment terms, withdrawals must generally be processed through the same payment method used for deposits. They require confirmation of payment methods used to ensure payment is returned securely to their rightful owner.

- The selfie measure was introduced as a part of enhancing account safety, minimising fraudulent activity and helps mitigate risks associated with identity fraud.
- They still needed completion of the selfie verification to process any withdrawals.

Unsatisfied with this response, Mr K brought his complaint to our service. An investigator here didn't uphold his complaint. He said Trading 212 had acted in line with their terms and conditions in asking Mr K to complete the selfie verification and hadn't acted unfairly or unreasonably. He commented on the regulatory fails Mr K pointed to, the informal nature of our service and stated he was free to close his account if he wanted to.

As Mr K 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 and for broadly the same reasons. I will explain.

As part of their regulatory obligations, and requirements to maintain their anti-money laundering and security of customer accounts, Trading 212 implemented new security measures in 2024. The terms and conditions of Mr K's account are clear in noting their obligations to their consumers, their right to make changes to the account and to request updated information from their customers. Article 3 of the Invest Terms says:-

“You agree that we may use additional online electronic verification tools that may request, among other things, further details, documents, and photo & video evidence from yourself.”

Since September 2024, Trading 212 have informed Mr K of the new verification requirements. They have been clear in stating the selfie verification was required to withdraw funds from his account. They wrote to him on 9 October 2024 to explain the verification process was needed to confirm he was the account holder, and that no fraud was taking place. They had amended the cards held on the account as he had requested but the final stage still required his verification to ensure payments were made to the cards in his possession.

On 11 October 2024, Trading 212 wrote to him with details of the Privacy Policy which Mr K agreed to when he opened the account. They also explained the requirements were needed to comply with AML and KYC guidelines. This new process involved additional electronic verification requiring new identification documents and a selfie to be taken. The terms of the account are clear in stating that Mr K must comply with all applicable AML rules and regulations and provide complete information to them.

I can see Mr K provided his passport copies and bank statements and considered this to be sufficient, particularly as he had already provided his passport with a government verified picture so he couldn't understand why he should have to provide a selfie too and he informed our service that he doesn't own a device with a camera. I also understand that he saw this as an alternative to providing the selfie and video for verification, but it was clear from the repeated requests that the new verification process was compulsory.

These new requirements were applied as part of their updated security verifications, so it wasn't unreasonable for Trading 212 to ask Mr K to complete these before allowing him to continue trading. This was an updated mandatory security verification process which was

required of all their customers, and I haven't seen any evidence that Mr K was treated unfairly.

Mr K mentioned being unable to close his account before it was blocked. He received notice of the changes to the verification process in September 2024. Whilst restrictions were in place, there was nothing preventing him from accessing his account until it was blocked in November 2024. Regardless of this, the terms and conditions of his account were known to him so he ought to be aware of the terms relating to account closure and he is free to cancel his account as per the terms. The investigator has already pointed out, Trading 212 can arrange an in-specie transfer if he chooses to close his account.

I fully appreciate Mr K's frustration with this process and the new requirements. However, I must be clear about explaining that we are not the regulators, that is the role of the Financial Conduct Authority (FCA). We are an informal dispute resolution service and whilst we take into consideration relevant laws and regulations, we make decisions on a fair and reasonable basis with consideration of the evidence provided to us.

Although there may not be a legal requirement for a business to take the specific measures it has implemented, this is a decision a business is entitled to take itself. It is not our role to tell a business how to operate, to set its rules or punish them for mistakes - that is the role of the FCA.

I know Mr K will be disappointed with my decision, but I'd like to reassure him that although I may not have individually mentioned each point, I have carefully considered all the evidence he's provided including more recent communications. However, I've found no evidence of unfair or unreasonable treatment from Trading 212 and will not be asking them to do anything further.

My final decision

For the reasons given above, I do not uphold this complaint against Trading 212 UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 September 2025.

Naima Abdul-Rasool
Ombudsman