

The complaint

Mr R complains that IG Index Limited ('IG') asked him to repay trading profits after a pricing error occurred.

What happened

Mr R had a spread betting account with IG. He says he also had an account for trading contracts for difference (CFDs) under the same customer ID.

On Friday 7 June 2024 a stock split took place which affected the underlying shares on which Mr R had spread betting positions. The split required IG to '*rebalance*' its spread bets to ensure its prices correctly reflected the underlying asset.

On Monday 10 June 2024 IG's platform showed a price which it later said was an error caused by a mistake in the rebalancing of the split stock. Mr R had limit orders in place for some short positions which were IG said were automatically filled when the price reached that level. Mr R's account was credited with the proceeds of the position closures. And he withdrew the proceeds from his account.

IG voided Mr R's previous short positions and reinstated them at the price it said was correct before the error. IG also reversed the profit it said had been incorrectly credited to Mr R's account. Because Mr R had already withdrawn the profit this gave him a negative balance in his account.

Mr R complained to IG. He said the error hadn't been his fault and he'd rightfully withdrawn profits made in his account. IG didn't think it had done anything wrong. In summary it said the following:

- Technical errors were rare but did occasionally affect IG's systems. It apologised for inconvenience and frustration that caused Mr R.
- But it wasn't reasonable to allow Mr R to trade on an incorrect price.
- IG's terms and conditions gave IG the right to void a bet if there'd been an error.
- Mr R shouldn't have been able to withdraw the profit he received from the closures of his positions on 10 June 2024 because the profit wasn't due to him. IG asked him to repay it.

Mr R wasn't satisfied with IG's response. So he referred his complaint to this service.

He said he wasn't given an opportunity to deal with the situation, and IG simply referred to its terms and conditions without trying to reach an amicable resolution. He wasn't happy that IG had asked him to repay the profits he'd withdrawn from his account. He also said IG '*squared off*' funds from his CFD account because of the negative balance in his spread betting account and that stopped him from trading CFDs.

One of our Investigators looked into Mr R's complaint. She didn't think IG had done anything wrong. In summary she said IG could've provided better service by telling Mr R about the error sooner and generally communicating more effectively about it, but overall IG had acted within its terms and conditions and had acted reasonably. Mr R didn't have the right to profit from IG's error, and the investigator saw no reason to say it was unfair or unreasonable for IG to seek repayment of the gains Mr R made as a result of the error. So the investigator didn't make any recommendations for IG to do anything different.

Mr R didn't accept the investigator's view. He said if that meant IG was entitled to chase him for the money it said he owed then he wanted his complaint referred to an ombudsman for a final 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.

Mr R hasn't disputed that IG made a pricing error. And having looked at the price that IG said it accidentally provided I'm satisfied it was an obvious error which in IG's terms is referred to as a '*manifest*' error.

But Mr R is unhappy about how IG dealt with the error. Having looked at the terms and conditions I'm satisfied IG had the right to void or amend a bet if a manifest error had occurred – which in this case it did. The terms and conditions also provided that any money a customer received as a result of a manifest error had to be returned to IG '*without delay*'. And if Mr R owed an amount of money on an account he held with IG, the terms allowed IG to set that amount off against funds in another account he held with IG.

Mr R would've had to agree to the terms and conditions when he opened his account. That is standard practice before a business like IG will provide services to a new account holder. And Mr R hasn't said the terms and conditions shouldn't for any reason apply.

I also don't think it was generally unfair for IG to do what was set out in the terms and conditions in the circumstances of this complaint. As I've said, Mr R hasn't disputed that an error occurred. He said it wasn't his mistake. But that doesn't mean it's fair for him to profit from the mistake or that IG shouldn't be able to recoup the money from him that he received as a result of the mistake.

I can see that IG took corrective action on the same day as the error. And Mr R had been active in his account on that day, having withdrawn the proceeds of the error soon after he received them. And he was looking to trade CFDs but says he was prevented doing so. On balance, I think it's unlikely he was unaware for very long that an error had occurred. And in being asked to repay the proceeds of the error, he wasn't being caused a loss of any money he'd had or would've expected to have before IG's pricing error occurred. Given the terms and conditions clearly set out what should happen in this situation, I don't see that IG needed to discuss with Mr R how it would remedy the situation, or that there was any reason IG couldn't fairly and reasonably ask him to repay the proceeds.

Overall, I can understand Mr R's disappointment. But I can't say it was unfair or unreasonable for IG to take the actions it took in the circumstances of this complaint. So I won't be asking IG to do anything different.

My final decision

For the reasons I've set out above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 June 2025.

Lucinda Puls
Ombudsman