

## **The complaint**

Mr A complains that Trading 212 UK Limited delayed verifying his identity which prevented him from executing critical trades on his account.

## **What happened**

Mr A opened a trading account with Trading 212 in 2020. He provided his original passport for identification purposes. He requested his preferred name to be used in general communications, but says his legal name as noted on his passport was known to Trading 212 and had not changed in this period.

On 19 October 2024, Trading 212 requested verification of his legal name again. Mr A says there was no reason for further verification to be required at this stage. He says he was in the middle of making the largest trade in his account during a volatile time in an important market period and Trading 212 unnecessarily prevented him from trading.

He says he lost trading opportunity because despite chasing Trading 212 several times, it took them nearly a week to process the name verification which wasn't confirmed until 24 October 2024. He says they ignored his communications in this period, and he was unable to short his positions with the increase in stock price at around 20%. He said he suffered losses of around £1400, so he complained to Trading 212.

In their final response letter on 20 December 2024, Trading 212 said they were verifying the name because they were following up on a change to the registered name and hadn't done anything wrong. Unsatisfied with this response, Mr A brought his complaint to this service.

An investigator here reviewed the complaint and said Trading 212 had updated their security on customer accounts and required a Two Factor Authentication which had failed in August 2024. As such, they still required verification and hadn't done anything wrong. He didn't uphold the complaint.

Mr A didn't agree so this has come 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.

Having done so, I've reached the conclusion that I will not be upholding this complaint and for broadly the same reasons as the investigator.

The information I have seen shows the original account was set up in 2020 with what Mr A calls his preferred name. The full name as noted on his passport is not listed nor was any verification requiring official documents completed. I am satisfied this was the case based on the security procedures in place at the time of the account activation in December 2020.

As part of their regulatory obligations, and requirements to maintain their anti-money laundering and security of customer accounts, they implemented new security measures in 2024. The terms and conditions of his 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.

This new process involved addition electronic verification requiring new identification documents and a selfie to be taken, which Mr A attempted himself in August 2024. The evidence I've seen confirmed this attempt had failed and a discrepancy was displayed on his screen at the time of verification. This means that Mr A was already made aware the verification process had not been completed.

This process was attempted and failed twice which then required manual verification by Trading 212, so Trading 212 contacted him on 18 October 2024 to fulfil this process. It is accepted that it took five days for them to complete this, but in busy periods it is not unreasonable that a business would take longer to action any tasks.

Whilst I appreciate how frustrating this must be for Mr A, particularly as he has had to chase updates while he was logged out of his account, I am mindful that he was already on notice of the outstanding verification checks since August 2024 but didn't resolve this situation until October 2024. This is an execution only investment platform and the terms of the account are clear stating that he must comply with all applicable anti-money laundering rules and regulations and provide complete information to Trading 212.

It is also important to point out, the requested compensation for loss of opportunity based on what Mr A believes he would have profited would have been purely speculative. There is never a guarantee that the trades would have been as profitable particularly with uncertainty in volatile market situations.

As noted above, these new requirements were applied as part of their updated security verifications, so it wasn't unreasonable for Trading 212 to ask Mr A to complete these before allowing him to continue trading. Given that this relates to a high volatility period in the markets leading up to the US presidential election, I don't consider five days to resolve this as unreasonable. This was an updated mandatory security verification process which was required of all their customers, and I haven't seen any evidence that Mr A was treated unfairly. I know Mr A will be disappointed with my decision, but I will not be asking Trading 212 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 A to accept or reject my decision before 25 July 2025.

Naima Abdul-Rasool  
**Ombudsman**