

## The complaint

Mr A complains to Trading 212 UK Limited about losses he incurred trading a stock with known issues. He feels he ought to have been prevented from making trades which resulted in a loss of over £8,000.

## What happened

Mr A has a trading account with Trading 212 UK Limited (“T212”). In June 2020 he made two trades in a company I’ll refer to as W that lost him around £8,400. Mr A made his trades following some negative news about company W that he says he was unaware of at the time. The impact of that news saw the share price collapse nearly 100% in just over a week.

In January 2025, Mr A complained about his losses to T212. He said they’d failed in their duty of care towards him as they allowed him to purchase shares despite widespread public knowledge of W’s problems. He felt T212 had exposed him to extreme and unnecessary risks. Mr A thought they ought to have suspended trading in W, issued a risk warning or taken other protective measures to protect their customers from buying into a doomed company.

T212 looked into Mr A’s complaint and were concerned about his wellbeing given the personal circumstances he’d shared – they restricted his account so that he couldn’t place any new trades. Within their final response letter, they highlighted they were an execution-only broker and were therefore not responsible for the outcome of his trading decisions. They recognised there’d been damning news about W in the financial press a day before Mr A’s first trade which caused the stock price to fall but said it had been Mr A’s decision to trade, not theirs, so they weren’t responsible for his loss.

Remaining unhappy with this, Mr A asked for our help. One of our investigators had a look at what had happened and asked Mr A whether he’d seen the news about W before investing. He explained that he hadn’t, and as a retail investor he relied on T212 to ensure a fair and transparent trading environment – given the situation with W, he would have expected T212 to have taken steps to protect clients. He cited three other platforms that had restricted trading in W.

When asked more about his decision to invest, though he hadn’t seen the recent news about W, Mr A shared that he’d conducted due diligence by reviewing W’s publicly available financial statements, analyst reports, and relevant news articles. He said he’d also considered W’s strategy and read positive recommendations from analysts. All of which influenced his decision to invest.

Mr A couldn’t show our investigator evidence of the three platforms he’d cited restricting trading, but said it was reasonable to believe they would have done. Instead, he shared some links from other companies and the regulator which commented on W’s issues. Mr A also pointed to T212’s recent restriction on his account that only allowed him to manage his open positions rather than add new ones – he asked, if they could do that now why didn’t they do it then.

Our investigator didn't agree T212 ought to be responsible for the money Mr A lost – she noted W's shares were freely tradeable at the time he bought them and didn't think T212 should have intervened in his investment decisions.

Mr A remained unhappy – he pointed to much smaller recent investments he'd made in what he felt were stable companies, yet T212 restricted his account to prevent him from financial harm and again asked why a similar restriction wasn't put in place during the time he made the W investments. He cited the regulator's Principles 6 and 7 and challenged T212's interest in him as a customer, his fair treatment and the provision of clear, fair and not misleading information. As things remained unresolved, the matter was referred for an ombudsman to consider.

### **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.

I appreciate Mr A feels strongly that T212 ought to have done more to protect him against the losses he has suffered. However, having reviewed everything, I'm not persuaded that they have failed in their regulatory obligations towards him. I'll explain why.

T212 provides Mr A with an execution-only service – this means that his trading decisions are his own, without any advice or recommendation from T212. This is confirmed at 4.1 in the terms and conditions of his account. That said, I appreciate Mr A isn't arguing that T212 advised him to invest in W. Indeed, it would appear that Mr A decided to invest in W based upon his own research – he mentions the statements, reports, news and strategy he considered before investing. Instead, Mr A says T212 ought to have protected him from the stock, not allowing him to invest in it during such a turbulent time.

I've thought carefully about what Mr A has said, and I've considered the links he's shared with us as well as researched some historical articles myself. Having done so, I don't agree T212 ought to have prevented him from making his investments.

At the time, W was a freely tradeable company on a recognised exchange. T212 give access to such stocks for their customers as these sorts of established markets have certain requirements that companies must meet to become listed. I wouldn't expect T212 to be conducting continual due-diligence into companies that their clients could trade in – every day there will be a considerable amount of news about companies, whether that be positive or negative, and it's this sort of news that investors follow and formulate trading decisions on the back of. T212 weren't giving Mr A trading advice, so there wasn't a need for them to be tracking W's performance to either prevent him from investing into it or indeed the opposite.

What happened here was that W had some bad news for the market. Bad news will often see the company's share price fall. Sometimes investors seek to capitalise on the fall, to buy more shares in the company than they'd have been able to buy before the price fell, in order to hopefully ride the wave when the share price recovers. That's quite an ordinary investment strategy for an investor who's been looking into a company and likes what they've seen – as Mr A tells us he did about W's strategy and reports. But what happened here was that the news was so catastrophic it led to grave problems for W and an irrecoverable share price.

This isn't something T212 could or should have foreseen. Indeed, even if T212 had a view about what was happening with W, what they felt its value was or whether it'd recover its share price or not, this wasn't something they'd share with Mr A given he was their execution-only customer.

Mr A points us to articles about W but these are after he made his investments. He also says the FCA suspended W's UK subsidiary around a week later. But again this was after he made his investment. Before this, W had published bad news and the markets were reacting to it. Mr A invested at an unfortunate time as while he'd read some good news about W, he'd missed the up-to-date news. Though he might still have invested then, like how I said above some investors might seek such opportunities, he might also not have done. But don't think it would be fair for his lack of awareness of current news to be T212's fault.

With regards to the restrictions T212 placed on Mr A's account in early 2025, this was a reaction to what Mr A shared about his personal circumstances. He had told them of his immense distress and anxiety, he described his loss as a catastrophic event on his life meaning he had to leave home and said his relationship with his parents and wife had been irreparably damaged.

I am sorry to hear what Mr A has been going through, and I can see why T212 restricted his account. Mr A asks why they didn't do this before he invested in W, but I haven't seen he shared anything concerning with them at the time. While T212 have the ability to restrict an account, they wouldn't do so without reason. Indeed, the reasons Mr A shared seem to have flowed from the W losses, and with no indication of the need to protect him ahead of those investments, I can't say T212 have done anything wrong here.

From everything I have seen, I'm not persuaded T212 shouldn't have allowed Mr A to invest into W. That was a decision he made – and made again for the second trade despite the price falling further, likely in the hopes it'd recover – but unfortunately the decision went against him and he lost money. While I appreciate losing that money has caused considerable upset, this is a result of the market conditions rather than an act or omission by T212.

### **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 A to accept or reject my decision before 23 October 2025.

Aimee Stanton  
**Ombudsman**