

The complaint

Mr H complains Trading 212 UK Limited (T212) failed in its duty of care towards him around his difficulties with gambling.

What happened

Mr H opened several trading accounts with T212; a general investment account in May 2020, a CFD account in November 2020 and a stocks and shares ISA opened in March 2022.

When applying for T212's services, it took information from him which included Mr H being employed with an annual income of between £50,000 and £99,999. He also had savings of between £20,000 and £29,999 and told the firm he expected to trade £50,000 each year.

On 4 March 2025 Mr H wrote to T212 to explain he'd been having difficulties with gambling and in doing so also complained that:

- T212 didn't meet its duty of care towards him by not identifying his difficulties.
- Despite his large losses, T212 didn't restrict his account or warn him about his use of it.
- T212 didn't check on his financial or mental welfare after incurring the losses he did.
- Instead, it sent him received communications encouraging further trading.

Following Mr H's message, T212 placed buy restrictions on his account to prevent him opening any further positions. It then issued its final response to his complaint explaining it wasn't upholding it. In summary it said this was because:

- It couldn't have been reasonably aware Mr H has having difficulties with gambling or that intervention was needed until he told it about his difficulties in March 2025.
- It immediately placed restrictions once it became aware.
- Mr H's trading activity was in line with the information he told T212 about himself.
- It provided marketing material but didn't think that influenced his trading as the volumes remained consistent from account opening.

As Mr H was dissatisfied with T212's outcome he referred his complaint to our service to consider, where one of our Senior Investigators looked into his complaint. In doing so, she also didn't agree Mr H's complaint should be upheld. She said this was because:

- His losses were within the range of what he'd told T212 about himself.
- Trading risks were explained to him at account opening.
- She hadn't seen that T212 had any reason to be aware of financial or gambling difficulties until his message on 4 March 2025.
- There was no evidence of excessive marketing or application of unfair pressure.
- The costs of T212's trading services had been disclosed to him.

Mr H disagreed with our Senior Investigator's findings. He said:

- His losses in 2021, 2022 and 2023 all exceeded what he told T212 about his financial circumstances, and that this ought to have led it to act.
- Allowing individuals to lose more than their earnings for multiple years with no intervention is deceptive and dangerous.

As an agreement wasn't reached the complaint was passed 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 not seen to direct T212 to do anything differently to resolve Mr H's complaint. I know this has been a very difficult time for Mr H and I don't by any means want to diminish the difficult situation Mr H finds himself or his decision to disclose his difficulties to both us and the firm. But in order to direct T212 to act differently in this complaint, I would need to see evidence that it fell below its obligations to him and that those failings detrimented him.

In treating Mr H fairly in these circumstances, I would expect T212 be aware of any vulnerabilities Mr H may show in his dealings with it. Which it did when Mr H sent T212 a message on 4 March 2025 at 12.46am explaining his situation and the impact it was having on him. It's clear at this point Mr H had expressed his difficulties with gambling and his usage of T212's trading services was part of that. It is at this point then that T212 ought to have considered him vulnerable and thought about what actions it could take to support Mr H given what he'd told them.

When it received Mr H's message, I'm satisfied from the evidence provided T212 took reasonable steps to support him. I say this because it promptly restricted his account from opening new positions and did so just over half an hour of receiving that message. By preventing Mr H opening new positions it would be supporting his difficulties with gambling by not allowing him to open new positions which could stem from or be contributing to his gambling difficulties. I also note it had done so very quickly considering the late hour Mr H sent his message. It follows then I'm satisfied T212 acted on Mr H's message in a fair and reasonable manner where it listened to Mr H's situation and responded appropriately and proportionately.

A key issue for me to determine then is whether there was any earlier event which ought to have reasonably led T212 to earlier recognise Mr H was demonstrating signs of vulnerability. And whether because of that it should've acted earlier than it did to support him.

In determining that I've reviewed Mr H's correspondence with T212 and his trading history with it. Neither of these, nor does anything else available to me, in my view evidence that T212 had reason to reasonably consider Mr H may be vulnerable by means of gambling difficulties, or any other reason. I say this because I've not seen that prior to his 4 March 2025 message Mr H said anything to T212 that may reasonably indicate he could be having difficulties with gambling or the affordability of the trading he was carrying out. The trading activity itself doesn't to me look out of the ordinary of someone trading the instruments he was and doesn't in my view demonstrate that T212 ought to have thought he may be vulnerable.

Mr H argues that his annual losses were excessive for his disclosed income and savings and that in itself ought to have led T212 to have intervened sooner than it did. I have considered this point, but I'm not persuaded this meant T212 needed to act differently.

I say this because T212 provided Mr H with its services on an execution-only basis, which means he is responsible for his trading activity and the investment choices he makes. T212 took information from Mr H about his financial circumstances to understand how he may use the account. This provision of information doesn't have the effect of putting in fixed limits to how Mr H can use the account or for T212 to use to provide advice to Mr H, such as when not to trade. T212 does however use this information to identify patterns that may indicate a financial vulnerability. For example, if Mr H is consistently trading beyond what he told T212 about him it has systems in place in recent times to help it identify potential circumstances that could be demonstrating vulnerability. T212 does set out in its terms an obligation on Mr H – at 34.2 – to let T212 of any changes to any information he provided it with. Which would include the information he gave about his financial circumstances. As Mr H hadn't given T212 any updates about his circumstances to T212, I don't think it was unreasonable for it to rely on the information it had about Mr H.

From the information Mr H provided to T212, it could reasonably infer he could afford to trade over £50,000 a year and provided income and savings information consistent with that. The savings figure could be considered to have been exhausted during his second year of trading, but the answers given about income and yearly expected trading were alone within the levels of losses he was experiencing. I accept there is a suggestion from those figures that Mr H was trading a significant amount of his income. But, without Mr H updating T212 about his financial circumstances and there being nothing within his communications with it to suggest he was struggling with financial or gambling difficulties, I can't reasonably conclude that T212 ought to have intervened earlier than it did.

Mr H says the fees he paid needs to be included when thinking about his overall losses, but I don't agree including those in his overall total loss ought to have caused T212 to consider him vulnerable. His losses even if I were to include the fees he paid would still be within a reasonable tolerance of the information Mr H provided T212 about his financial circumstances. I've also considered the disclosure of these fees, and I'm satisfied the firm would've fairly disclosed those Mr H. I say this because T212 provides this information during the account opening process as well as prior to each transaction he makes on its platform. The terms from the time he opened his account, and since, refer him to the fees page on its website which would've set out the fees for the various trading actions on the account, including for foreign exchange. I appreciate Mr H feels these contributed to his losses, but I can't fairly say T212 didn't properly disclose these fees to him before he commenced trading.

Mr H raised concerns about marketing communications he received from T212 and the impact those had on him. Limited information is available about the content or volume of these communications – Mr H himself recollects around 40 since account opening. From the information that is available, I'm not persuaded these show T212 pressured Mr H into trading. The examples T212 has provided show the communications to be informative and could be opted out of, which Mr H hadn't requested. I haven't then seen evidence these communications were unfair. While Mr H may receive those messages differently to other people given the difficulties he later expressed, at the time T212 would've sent those marketing communications it wouldn't have been aware, for the same reasons given above, of the impact its communications could have on Mr H.

I sympathise with the difficult situation Mr H has found himself, but I have to be fair to both parties when making my decision. And from considering the matter before me, I'm not persuaded T212 ought to have acted sooner than it did to restrict Mr H's trading, nor did it unfairly communicate or induce him to trade.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 6 August 2025.

Ken Roberts
Ombudsman