

## **The complaint**

Mr M complains that Interactive Brokers (U.K.) Limited ('IBUK') incorrectly executed the purchase of funds at a higher price than it should have done.

## **What happened**

Mr M wanted to buy some units in a fund through his account. Funds are priced daily based on the net asset value (NAV) of the investments held within the fund.

When Mr M bought his units he got a unit price of 154.1968.

On 30 December 2024, Mr M complained to IBUK. He said he didn't think the NAV of the fund had been correct. He thought the NAV on the day he'd traded was 147.06 - so he said he'd overpaid by around €500.

Within its complaint response dated 19 March 2025, IBUK confirmed the issue was not of their making. IBUK explained that the trade issue was executed by an unaffiliated third-party exchange ('third party') over which IBUK has no control. IBUK did, however, raise the issue with the third party and liaised with them for the correction. IBUK say they did this at the time the formal complaint was first raised to them. This resulted in the third party correcting the trade to the execution price of 146.61832 EUR, and 68.2043 new shares were added on 11 March 2025 to Mr M's account.

Mr M remained unhappy with IBUK's response to his complaint. He says the complaint response addresses the financial aspects of his complaint. However, it fails to consider IBUK's responsibility for handling the order and execution.

An investigator looked at Mr M's complaint and decided IBUK hadn't done anything seriously wrong. In summary, our Investigator explained how the error was not something IBUK had any control over, and they took the correct action by communicating with the third party to resolve the matter, which led to Mr M receiving the correct units in his account, with the correct pricing.

Mr M, however, remained unhappy with this response to his complaint. He explains how the issue was only resolved after he raised a formal complaint, following weeks of misunderstanding and inaction by IBUK. He says this delay raises serious concerns regarding the firm's internal controls and oversight mechanisms and their formal response supports that the firm doesn't have any controls in place. He further explains that merely crediting new shares does not constitute a sufficient response to the underlying issues that allowed this failure to persist. He says he expects this matter to be addressed more comprehensively and formally.

Our Investigator was not persuaded to change his view as he didn't believe that Mr M had presented any new arguments he'd not already considered or responded to. The Investigator then passed the case to an Ombudsman 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.

I have summarised this complaint and what has happened linking back to the crux of what Mr M says went wrong. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this, and it simply reflects the informal nature of our service. Instead, I will focus on what I find to be the key issues here.

The crux of Mr M's complaint relates to administrative services provided by an investment company purchasing funds within an investment scheme. When administrative errors occur, it is important to consider the context and impact of what happened. Sometimes a small error can cause large problems further down the line. In Mr M's case, the difference in purchase price meant not only did he not receive as many shares as he expected to receive, but it took several months for the financial aspect of his complaint to be fully rectified. For Mr M, it isn't acceptable that this can and did happen, or that it took so long to resolve.

Our Investigator asked IBUK for more information to help inform his thinking. Having reviewed this information myself, I am satisfied IBUK did take the steps they say they did to try and rectify matters for Mr M as quickly as they practically could. In particular, we've seen correspondence between IBUK and the third party showing they were trying to understand what happened and pushing for a resolution. The timeline shows how the matter was rectified for Mr M by 30 April 2025, and the final response was then issued on 19 March, detailing what had happened and why. In my view, this action seems reasonable because IBUK took steps to try and put Mr M back into the position he would have been had he been purchasing funds that aligned with the NAV on 11 December 2024. And I accept IBUK's explanation that it was largely at the whim of a third party to take steps to rectify matters, so it couldn't control fully the time taken put the situation right for Mr M.

Mr M has raised concerns about the use of a third party in this transaction. However, I do not see any failings here because the terms Mr M agreed to explain that this can and does happen. Under services provided (section B (i)) it says:

*"Transactions may be executed and/or cleared by IB UK, IB LLC, another affiliate of IB UK, or a non-affiliated third party."*

So we can say we're satisfied under the terms, which Mr M would have to have confirmed he'd read and agreed to in order to open his account, IBUK said it might execute his trades through a third party.

I've looked closely at the nature of the relationship that Mr M had with IBUK. Mr M is an execution only client. This means IBUK is not responsible for advising him or managing his positions. Mr M alone is responsible for deciding how much money to deposit, when to open trades and on what markets, monitoring those positions, and when to close them. I have therefore looked carefully at IBUK's execution policy to better understand what should happen when there is this relationship between consumer and firm. Having done so, whilst Mr M may have thought that IBUK should have questioned or challenged his trade when the

rate was higher than NAV was recording at that time, the nature of the service that he was paying for from IBUK meant that it was his responsibility (and not IBUK's) to ensure he was fully aware of the status of each of his trades and it was IBUK's responsibility to fulfil those orders promptly.

When Mr M placed the order, he would have had to have gone through a number of steps and confirmed that he was happy with the trade being placed. It's at this point that Mr M could have double checked he was comfortable with the trade being requested. It would have also been an opportunity to cross-reference information. As I've already explained though, it's the consumer's responsibility, and not IBUK's, to check the trade being placed is the trade that the customer actually wishes to make.

As has already been mentioned, IBUK has the right to use a third party. And although IBUK refer to the third party as an exchange, I think it's in reality more of a broker itself. A buy or sell of units in a fund is actually going to be carried out directly with the fund manager. They will create or cancel units to satisfy orders. So the third party in all likelihood just routed IBUK/Mr M's order to the relevant fund manager.

Therefore, it doesn't really matter if it was the third party or the fund manager that reported the wrong price.

We could say that as IBUK was entitled to use a third party broker, either the third party or the fund manager made an error, then that isn't something it's fair to hold IBUK responsible for.

What we would expect is once an error comes to light that IBUK take steps to ensure it's rectified for their customer, which they did for Mr M.

IBUK has explained that it needed to liaise with a third party to rectify this issue, and this added to the timeline of events. Therefore, on balance, I'm not persuaded that IBUK did anything seriously wrong in line with its execution policy and terms and conditions, and in the steps taken to rectify matters when the issue was raised to the service.

When reaching my decision, I've also thought carefully about whether Mr M is now in the position he would have been in had there not been an issue in the first instance. And I'm of the view that IBUK has essentially done what it should do to put the situation right for Mr M. As such, I'm not upholding Mr M's complaint.

### **My final decision**

I am not upholding Mr M's complaint and as such, I won't be instructing Interactive Brokers (UK) Limited to take any further action

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 February 2026.

Emily Bowyer  
**Ombudsman**