

The complaint

Mr P complains IG Trading and Investments Limited trading as IG ('IG') allowed him to trade when it shouldn't have and so caused him a financial loss.

What happened

Mr P had a number of accounts with IG including accounts for spreadbetting and trading contracts for difference (CFDs), as well as a stocks and shares ISA and a general investment account.

In 2022 Mr P emailed IG saying it had closed one of his leveraged positions unfairly, without giving him the chance to 'top up'. IG replied saying it had closed his position in line with regulatory rules relating to margin levels. Mr P commented on IG not having warned him before his margin fell below 50%. And he added the following:

'What monitoring does IG do on potential degenerative gamblers?

It seems I have been able to top up and withdraw using massive amounts of leverage with no concern from IG.'

IG reiterated its reasons for closing the position and added that based on what Mr P had now said it had set his leveraged accounts to 'close only' status.

In 2024 Mr P complained to IG. He said the following:

'I have previously advised of a gambling problem and IG agreed to freeze both my spreadbetting and CFD accounts. However, IG left my both my Stocks and Shares, and ISA accounts live. This enabled me to trade leveraged ETFs ... resulting in £11,000 losses. These options should also have been withdrawn when I have confirmed that I am a degenerative gambler, as they are akin to CFDs because by their very name are leveraged products...'

Mr P asked IG to reimburse him for the losses he'd made.

IG didn't uphold Mr P's complaint. In summary it said Mr P hadn't been able to access leverage through his IG accounts. Although Mr P had traded 'leveraged shares' in his IG accounts, that wasn't the same as being given leverage by IG. Leveraged shares used a modest amount of leverage in their design and operation. But Mr P had to put up the full value of any such shares he purchased, and so he wasn't using leverage to buy them.

Mr P wasn't satisfied. He referred his complaint to this service. He said he'd asked IG to close down his leveraged accounts and it only closed his spreadbetting and CFD accounts.

One of our Investigators looked into Mr P's complaint. He didn't think IG needed to do anything. In summary he said IG acted reasonably when Mr P referred to a '*potential*' gambling addiction by ensuring he suffered no further losses through high-risk leveraged trading. And IG closed his other accounts nearly two years later when he complained. The investigator didn't think IG was required to close Mr P's ISA and general investment

accounts at the same time it closed the leverage accounts because the ISA and general investment accounts worked differently from the leverage accounts. In particular they didn't allow him to access the same, or similar, high-risk trading.

Mr P didn't agree with the investigator's view. In summary he said some products available through his ISA were leveraged so they were similar to spread bets and CFDs. And if IG had closed Mr P's ISA he wouldn't have had access to those leveraged products. He said IG clearly attempted to prevent access to leveraged products, as evidenced by the fact it closed his CFD account even though he hadn't used that account, and so it ought to have closed all his accounts.

Because no agreement could be reached, the complaint was passed to me to review afresh and make 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.

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.

I understand why Mr P says the instruments he chose to trade in his ISA were more complex than the average securities that are bought and sold in a general investment account or ISA. But I don't agree they were equivalent to CFDs or spread bets. And I don't think IG had the same obligations regarding those instruments as it did in respect of spreadbetting and CFDs.

Where IG offered Mr P access to products that were considered '*complex*' under the rules of the industry regulator, the Financial Conduct Authority ('FCA'), IG had particular obligations under the rules, for example to consider the appropriateness of those products for him. Bearing these rules in mind I think IG acted fairly and reasonably when in response to Mr P's comments about a potential gambling problem it stopped him opening any further positions in his leveraged accounts, which were his spreadbetting and CFD accounts.

But same rules didn't apply to IG's provision of trading in his ISA and general investment accounts. And, irrespective of the rules, it wasn't unreasonable for IG to treat Mr P's other accounts differently from his spreadbetting and CFD accounts. The '*leveraged shares*' Mr P traded may have been higher risk than some others he could've traded in his ISA, due to the likely volatility of their pricing. But the leveraged component wasn't leverage used by Mr P directly. It was built in to the product itself so that price movements on the shares were amplified. So Mr P wasn't exposed to the same risk he would've been exposed to if he traded on leverage provided to him by IG.

So I don't find that the shares Mr P bought were in the same category as spread bets and CFDs or that they ought to have been treated as such by IG. And I don't agree IG necessarily ought to have closed Mr P's general investment and ISA accounts on the basis of the communications it received from Mr P.

Mr P has said he asked IG to shut down his '*leveraged accounts*'. I've looked at all the communication that passed between Mr P and IG and I haven't seen that Mr P asked for any

of his accounts to be shut down. IG stopped him opening new CFD and spread bet positions after he said he'd been able to use a large amount of leverage and he wanted to know what IG did about '*potential*' gambling problems.

In any case, if Mr P had asked IG to shut down his leveraged accounts – which I haven't seen that he did – I wouldn't say IG had acted unreasonably by closing his spreadbetting and CFD accounts but not closing his general investment and ISA accounts. As I've said, the general investment and ISA accounts didn't offer leverage, despite Mr P being able to purchase some products which purported to use a type of leverage in the design of the products themselves.

I'm sorry to know Mr P has made losses in his trading accounts. But I can't conclude that was the result of a failing by IG. So I'm not requiring IG to take any action here.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 1 December 2025.

Lucinda Puls
Ombudsman