

## The complaint

Mr H has complained that Trading 212 UK Ltd ('T212') illegally limited access to his contracts for difference ('CFD') trading account which prevented him from trading. Mr H had updated his financial details to prevent this from happening, and so he says T212 caused him financial harm. Mr H would like to be refunded the amount he lost when he was forced to close his positions when his account access was limited.

## What happened

Mr H had a CFD trading account with T212 but because of the activity on his account it automatically triggered concerns about his vulnerability. T212 acted on this trigger and his account was blocked from trading on several occasions including five days from 25 December 2024 when he says his two stocks – IONQ and RGTI – 'went very high a few days before'. An indefinite break was placed on his account at the beginning of 2025. Mr H has said he was forced to close his positions and has suffered a loss of over £300,000 because of this. Mr H says his mental health has suffered, and he has had many sleepless nights as a result.

Because of this, Mr H complained to T212. It responded to Mr H on 13 January 2025 not upholding his complaint. It said;

- Its system had detected potential vulnerability on his account because of the number of deposits and fees he was incurring. The Consumer Duty and the requirement to protect customers from 'foreseeable harm' meant it had to act.
- Although Mr H had updated his financial declarations, that didn't stop further restrictions and monitoring was constant.
- Mr H had been through several levels of restrictions which resulted in an automated enforced trading break on 25 December 2024 which lasted five days. Mr H was able to close positions and manage funds during the break.
- While Mr H has said he had a strategy to mitigate large unrealised losses, T212's duty of care extended to the prevention of further losses.
- Mr H's behaviour and management of the account suggested there was no reason why the restrictions made the positions untenable. It was his decision to close the positions.

Unhappy with the outcome, Mr H brought his complaint to this service. Our investigator who considered the complaint didn't think it should be upheld. She said:

- T212's systems were designed to mitigate the risk of harm to Mr H and were consistent with the Consumer Duty, so she didn't think the restrictions had been applied unfairly.
- Despite Mr H providing updated financial information, the breaks were still applied if his trading patterns and activities continued so his declarations wouldn't prevent his account from becoming restricted.

- T212 wasn't unfair in applying an indefinite trading break on 5 January 2025 as it was making attempts to support him in avoiding harm.
- Despite not having telephone contact with Mr H, T212 was in regular contact with Mr H, and he received emails warning about the trading breaks.

Mr H didn't agree with the investigator, so the complaint has been passed to me for a decision in my role as ombudsman.

### **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.

After doing so, I've reached the same conclusions as the investigator and broadly for the same reasons. I'll explain why.

I'd like to take this opportunity to explain that I fully understand Mr H's strength of feeling about his complaint, and I sympathise with the financial impact his trading losses with T212 have had on him and are likely still having on him. However, when looking at the circumstances surrounding Mr H's complaint, my role is to be impartial and consider what's fair and reasonable. This means taking into account T212's role, its obligations as set out by the Financial Conduct Authority ('FCA'), but also the nature of the service it offered which involved a high-risk form of trading.

T212 has explained to this service the different levels of communication it has with its customers around vulnerability. These range from initial notification that T212 had noticed a change in account activity to advising there were situations that might expose the customer to harm. I understand Mr H was sent such messages on 7 March 2024, 18 May 2024, 18 June 2024, 4 August 2024 and 24 October 2024.

The reasons for all the warnings and the breaks were because of a large number of deposits, excessive daily trades and excessive spreads/fees. Mr H was advised of those reasons in all the emails sent to him;

- 'Large number of deposits and/or trades for a short period of time.
- Total deposits you've made, all accumulated fees and charges, or potential loss in your account – becoming a large proportion of your declared income/savings.'

These notifications then escalated, and Mr H was advised on 17 July 2024, 31 October 2024 and 13 November 2024 that based on T212's reviews some of the tendencies identified on his account could be considered risky financial activities and that he should reconsider those activities. It said that if they persisted a 24-hour trading break would be put in place.

Again, as those tendencies and behaviours continued, the 24-hour trading breaks were put in place on 24 November 2024 and 18 December 2024. Mr H was again told of this via email and was advised that it was an opportunity for him to reconsider his activity and revisit his financial details. Again, there was a warning about the patterns persisting and the possibility of a five-day break being applied.

I can see Mr H wasn't happy with the 24 November 2024 break and contacted T212 who confirmed a combination of patterns on Mr H's account was considered risky behaviour that could lead to financial harm and Mr H was urged to reconsider his behaviour. In response Mr H clarified he was a day trader so couldn't understand why his behaviour would be considered abnormal. It was explained to Mr H what the criteria were – comparison of

declared income/savings against excessive deposits, potential losses, fees and charges incurred and number of trades or deposits over a short period. It was also explained why T212 wasn't making more short shares available for IONQ – underlying market conditions and control of exposure. So, I think T212 was clear in its reasoning and that its decision was for the ultimate benefit of Mr H and also why T212 wasn't offering further short positions for IONQ.

Subsequent to that, those same tendencies that had been identified still persisted so on 1 December 2024 a five-day trading break was applied for the same reasons. Mr H wasn't happy at the time but T212's obligations under the Consumer Duty were explained to him. And it was clear Mr H could stop future breaks if he reconsidered what had caused them.

Mr H was then emailed a notification at 12:00:04 on 25 December 2024 which read 'There are still tendencies in your activity that may pose financial risks' and he was told a new five-day trading break was being applied. The activities Mr H was urged to check and reconsider were the same as had previously been identified. He was also warned that if the patterns persisted an indefinite trading restriction may be applied.

Looking at the above breaks, I am satisfied Mr H was given clear warning they were going to happen. It was for Mr H to change his behaviour otherwise further breaks would be applied in line with T212's Consumer Duty obligations. Mr H didn't change his behaviour so T212 carried out the actions on the account that it had previously advised Mr H would take place.

Mr H says he explained to T212 he was a day trader and has provided a screenshot to show that his financial details were recorded as being an annual self-employed income of over £200,000 and the value of his savings and investments was also over £200,000 which I understand were the highest amounts possible. It's recorded he expected to deposit £100,000 with T212 annually and losing the money would not affect his lifestyle a lot. Mr H says this evidences that he was trading within his means.

But T212 has told us that between November and December 2024 Mr H had carried out a total of 661 trades, his net deposit was £279,709.59 and his net realised profit/loss was negative £334,562.52. He had also incurred fees in the tens of thousands during the period. So, within the two-month period Mr H had significantly exceeded his expected annual deposit, some of his savings/investments and potentially his annual salary while incurring significant costs in the process.

Even though Mr H was a high income, high savings and risk tolerant customer of T212, the activity still had to be monitored on his account within tolerance parameters which measured his deposit frequency, daily trades etc. So irrespective of Mr H's own financial circumstances T212 still had an obligation and responsibility to ensure that his account wasn't being managed by him to the extent that there was the possibility of foreseeable harm. And it is this identification of foreseeable harm that caused the warnings to be issued to him and trading breaks put in place.

So, while Mr H was wealthy – and I understand earned more than the declared income figure – T212's obligations under the Consumer Duty extended beyond identifying how much money he may have had. This is because potentially harmful behaviours aren't just about identifying whether the losses can be afforded. Repeatedly triggering T212's thresholds for excessive deposit frequency, daily trading and costs/fees can raise vulnerability concerns – such as trading or gambling addiction – or can be signs of the mis-use of the product. So T212 does have a responsibility to act. And as I've concluded above, I'm satisfied that Mr H was sufficiently made aware that these behaviours would result in trading breaks of between one and five days and potentially indefinitely. In the notifications sent to Mr H he was urged to reconsider his behaviours but didn't do so. In my view, once Mr H's trading continued to

meet T212's criteria, it was fair and reasonable for it to take the action that it did in order to mitigate the risk of excessive financial harm to Mr H.

Mr H has said that when his account was blocked on 25 December 2024 his stocks, IONQ and RGTI had been trading high, and he needed to add more shares to make his financial position more stable but was unable to do so because of the enforced break. I understand the restriction was lifted at 12:00 on 30 December 2024 but Mr H chose to close five of his ten IONQ positions at 14:44 which was nearly three hours after he had full access to his account so he could have taken alternative action with those positions if he had wanted to. And I also understand that Mr H went on to continue trading at 14:46, opening and closing a further IONQ position so he was aware he had full use of his account again.

Mr H withdrew just over £95,000 on that day so clearly, he had sufficient funds to keep the positions open but chose not to. I also understand that when Mr H's account was previously restricted on 1 December 2024, he didn't close his positions then. So, I don't agree that T212's decision to enforce a trading break resulted in Mr H having to close the positions. T212 restricted trading as it advised it would, and any losses incurred were as a result of Mr H's decision to take large positions and adverse market movements. So, I don't find that Mr H was forced to close the positions as a result of the trading break as it was his own decision.

Mr H has complained he received zero customer service. He says he only got generic responses and emails from T212 and wasn't able to speak with anyone. However, I can see he was told by T212 that it only communicates with its customers by either email or online chat. And as far as I am aware, Mr H was never told he could have a telephone relationship so I can't agree it was something T212 would or could offer. So, while Mr H may have preferred telephone communication this wasn't a service T212 had ever offered. And looking at the communication samples I've been provided, I'm satisfied T212 responded adequately to him in reply to any questions and provided any information asked of it.

While I accept Mr H is frustrated and angry about the trading breaks on his account, I'm satisfied he was made sufficiently aware of how T212 would act if he didn't change the behaviour on his account.

Overall, I don't think T212 was unfair or unreasonable in its unilateral decision to enforce breaks on Mr H's account and ultimately to close the account. It was acting consistently with its regulatory obligations to mitigate or prevent foreseeable harm wherever possible. I'm satisfied it reached the decision that it did in Mr H's best interests, acted in good faith and its priority was to protect Mr H from financial hardship in line with its regulatory obligations.

So, it follows that I don't uphold Mr H's complaint. I fully acknowledge Mr H will be extremely disappointed with the outcome to his complaint. Understandably he feels very strongly about it, and I'd like to thank him for the time and effort he has spent in bringing his complaint. But I hope I have been able to explain how and why I have reached the decision that I have.

### **My final decision**

For the reasons given, I don't uphold Mr H's complaint about Trading 212 UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 July 2025.

Catherine Langley  
**Ombudsman**

