DRN-5754968

The complaint

Mr K complains about the execution of a trade by Trading 212 UK Limited (Trading 212). The trade was a buy order, placed to open a Contract for Difference (CFD), and was executed at a much higher price than the price at which Mr K said he wanted to trade. Mr K says it was unreasonable for Trading 212 to buy the shares in question at a price so far from the price at which he wanted to buy.

What happened

Mr K holds a CFD trading account with Trading 212. He wanted to trade shares in GameStop Corp on his account, taking a "long" buy position. The shares traded on the US market. Following the close of the market on 13 May 2024 – and prior to it opening on 14 May 2024 - Mr K placed a stop buy order for 40 shares. The price specified by Mr K was $31.49.

Once the market opened, Mr K's order was executed at a price of $60.01. He made his complaint the same day. In short, he said execution of the order at a price so far away from his stated price was unreasonable.

Trading 212 did not uphold the complaint. It said the order was executed without error, as the market had opened with a gap, and pending orders are not guaranteed. It referred to the explanation of stop buy orders and market gaps given in its help centre.

Mr K was dissatisfied with this response and referred his complaint to us. One of our investigators looked into it and concluded it should not be upheld. He said, in summary:

- He had noted the following from Trading 212's help centre, which explained market/price gaps:
    - "*…orders may be executed at a different price than your target if the market opens with a gap. In volatile or illiquid market conditions, orders including Limit/Stop and OCO (One-Cancels-the-Other) are not guaranteed, and there is a possibility that they are executed at a price different from what you specified in your order.*"
    - "*What is a market gap?*
A market gap refers to the difference between the closing price of one trading period and the opening price of the next period. These gaps typically occur between trading sessions, such as overnight or over the weekend."
    - "*A price gap can cause a stop order to be executed at a price significantly different from the stop price specified by the trader. This can happen because stop orders are triggered when the market price of a security reaches or crosses the stop price determined by the trader. If the market price gaps through the stop price, the stop order may be executed at a price far from the intended price.*"
- He was satisfied that Trading 212 had acted in accordance with its regulatory

obligations.

- Ultimately, the market opened with a gap and this led to the order being processed at $60.01. Trading 212 is responsible for any losses Mr K incurred as a result of this.

Mr K did not accept this view. He said, in summary:

- This level of price deviation cannot be reasonably justified by market conditions alone.

- The existence of a stop limit order functionality demonstrates Trading 212 has the technical capability to prevent such extreme executions. The failure to prominently highlight these alternatives raises concerns about fair treatment.

- Under the relevant rules, Trading 212 has an obligation to "*take all sufficient steps to obtain the best possible result*" for clients. It has not demonstrated how executing the order at nearly double the intended price fulfils this obligation

- While Trading 212's terms mention non-guaranteed prices during gaps, the Consumer Rights Act 2015 requires terms to be fair and not create significant imbalances. A 90.6% price deviation creates such a significant imbalance.

- Trading 212's execution of stop orders without reasonable price deviation limits appears to conflict with market standards.

- Throughout the entire order placement process - from initial entry to final confirmation – there is no point at which a retail client is:

    - Offered the safer stop limit order option.

    - Warned about potential price gap risks.

    - Alerted about the possibility of extreme price deviations.

    - Given specific warnings about out-of-hours trading risks.

- Trading 212's warnings about price gaps are buried in its terms and conditions rather than presented clearly at the point of trading.

- The generic "Price volatility" warning fails to address the specific and substantial risks of out-of-hours stop orders. This, combined with the lack of clear access to Stop Limit Orders, suggests a serious failure in Trading 212's duty to provide appropriate risk warnings and trading tools to retail clients.

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.

Stop orders, limit orders etc are tools which can be used to manage risk when trading. Trading 212 offered a number of tools of this type. But making use of the tools was not a guarantee of protection from risk. And setting stops and limits was not a guarantee of execution at the prices specified. Market conditions can mean that the market trades through a price – that the price suddenly jumps up or down past the specified price; something usually referred to as "gapping".

I do not think it would be fair to say, in the circumstances, that as an execution only provider of a trading service, Trading 212 was obliged to highlight other tools to Mr K when he placed his stop buy order. It was for Mr K to familiarise himself with the tools Trading 212 made available to him, to determine how to use them to manage risk; and I am satisfied the explanations Trading 212 gave of how the tools worked was clear, and the tools were accessible to Mr K.

Ultimately, the way in which Mr K instructed the trade left him open to the risk of the market gapping when it opened, and the trade being executed at a much higher price than the price at which he wanted to execute. Such extreme gaps are rare, but they do happen. In this instance, the stock Mr K was trading experienced extreme volatility following widely reported social media posts from a prominent “meme stock” trader. This meant the market “gapped” significantly when trading opened, due to a very high number of people attempting to buy shares at the same time.

I do not think it would be fair, in the circumstances, to say Trading 212 should have provided further risk warnings to Mr K. The help centre included the explanations about gapping which the investigator highlighted in his view, quoted above. And Mr K, when opening his account, completed an appropriateness test, in which he declared to have knowledge and experience of trading of this type.

Trading 212 has provided Bloomberg pricing data from the time, which shows the price at which Mr K’s order was executed was within the trading range of the market at the time. And the volatility in the share price was widely reported at the time, with those reports confirming the price of the stock doubled in early trading. I am therefore satisfied the price at which the trade was executed was a fair reflection of the market at the time and not therefore contrary to any market standards or best execution requirements; although I appreciate Mr K may not have foreseen such extreme volatility.

I note Mr K’s reference to the Consumer Rights Act 2015 and the price deviation creating a significant imbalance. But I do not think this is a relevant consideration here, as the price was determined by the underlying market and the trade was executed in a way which reflected the underlying market. It was extreme volatility in that underlying market that led to the trade being executed at the price it was.

Ultimately, whilst I appreciate Mr K’s disappointment with the outcome of his trade, I think the loss he suffered as a result is a consequence of his own trading decision, not any errors on the part of Trading 212. It would not therefore be fair and reasonable to uphold this complaint.

My final decision

For the reasons given, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr K to accept or reject my decision before 10 December 2025.

John Pattinson
Ombudsman