

The complaint

Mr P complains that Trading 212 UK Limited unfairly withheld profits he made from certain trades he had closed.

What happened

Mr P had an account with T212 and was trading Contracts for Differences (CFDs). On 3 August 2020 he had a long position (the equivalent of 125 shares) on the shares of a company I'll refer to as "V" which he had opened on 31 July 2020.

At 2:45pm UK time, about 15 minutes after the relevant market opened, Mr P closed his position and made a profit. About 30 minutes later his account was adjusted, and £200 was deducted.

Mr P complained about the money being taken from his account. T212 explained that the reason for the adjustment was that V had undergone a 6 to 1 reverse stock split before market open. His holding hadn't been adjusted by the time he closed his trade, and so he had essentially benefited from having a holding 6 times larger than it should've been, but closed at a price based on the reverse stock split having taken place (a reverse stock split causes the share price to increase, due to a reduction in the number of shares, which is the opposite to a normal stock split).

T212 explained that the terms allowed it to make adjustments in these circumstances, specifically section 1.9 "Our rights to adjust, modify and/or Close-Out CFD transactions in the event of a corporate action affecting the Underlying Asset". This section said:

"In the event of a Corporate Action affecting the Underlying Asset of a CFD (e.g. splits, spin-offs, rights offerings, mergers and acquisitions, etc.):

- a. *We may at our sole discretion determine the appropriate adjustment or modification or action to take, if any, and when, with respect to the CFD to preserve the economic equivalent of the rights and obligations of the parties;"*

As a result, it said that it was entitled to adjust Mr P's account, which involved it deducting £200.

Mr P didn't agree and referred his complaint to this service. In summary, he claimed he should be entitled to a full refund of his investment in V, as well as other consequential losses from being unable to trade and being unable to open new positions as a result of the £200 deduction.

One of our investigators looked into the complaint and didn't think Mr P was entitled to any financial or consequential losses. However, she thought there was an error on T212's platform which caused Mr P distress and inconvenience and considered that T212 ought to pay Mr P £200 compensation.

Mr P didn't agree and said the compensation wasn't enough. He said that T212 had

“withheld” his funds for 5 years and this amounted to 5 years of lost opportunities and gains. He provided a list of trades he said he missed out and would’ve been even more profitable had he been able to invest more money. He provided a calculation showing his losses amounting to over £12,227, plus interest.

T212 also didn’t agree. In short, it said there was no error on its platform and it didn’t agree it ought to compensate Mr P. It also said that the price of V plummeted after the adjustment, so Mr P could’ve simply bought more CFDs in V if he wanted to, at a better price than he was closed at.

I issued a provisional decision in August 2025. In it I said:

“The situation here is that the price movement Mr P experienced, and which caused him such a profit, was based on the number of issued shares being reduced 6 to 1. So whilst Mr P keeps referring to lost profits, that’s not the case – Mr P benefited from the fact that his holding was not reflecting the stock split, whilst the share price was. To put it another way, the reverse stock split shouldn’t, on its own, fundamentally alter the overall financial value of the shares being held (or in this case, the CFDs) – because a shareholder would lose some of their shares, but the shares being owned normally increase in price. In this case, Mr P’s CFD holding was not adjusted and so his profit was artificial, it’s not a profit he would ever have made had he been trying to sell actual shares. In these circumstances, I’m not persuaded it’s fair and reasonable to allow Mr P to benefit.

T212 has persuasively explained how the issue occurred – namely it took some time to update its own systems to reflect the stock split. Whilst this should be ideally done as soon as possible after market opened, this didn’t have any impact here – even if I thought Mr P was encouraged to close his position as a result of the temporary discrepancy between V’s price and Mr P’s position, that ultimately worked in his favour given that V’s price started to drop after his CFD was closed.

I don’t agree with T212’s characterisation of this as scalping or market abuse in any way – whilst I don’t know whether Mr P knew or didn’t know about the reverse stock split, he didn’t do anything other than use T212’s platform as it was presented. Since the trade was opened the day before, it cannot fairly be considered scalping in my view.

However, the question is whether any of this caused Mr P any distress and inconvenience, and I’m not persuaded it did. The matter was resolved within 15 minutes of Mr P closing his trade. He was given a full explanation by T212 immediately. I acknowledge that Mr P didn’t accept that explanation – but that wasn’t T212’s fault. There was no financial impact on Mr P since the profit was artificial and not fairly his (so he would never have had that money to reinvest), and the plummeting price of V meant that he was not disadvantaged. The terms and conditions clearly covered this exact scenario. Overall, I therefore don’t currently think it would be fair and reasonable to award any compensation in this case.”

Mr P didn’t agree with my provisional decision. He said that I had ignored the fact that the “correction” was made after he sold his shares, and this was misleading and a “breach of contract” because it had failed to give him the “factual price”. He said that T212 failed to contact him about the error and he made losses of over £200 which I had also failed to acknowledge.

He maintained that it was unfair and unreasonable for T212 to have made the correction after he had sold the shares and concluded that the money after the sale was his and T212 was guilty of theft by removing it.

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 reconsidered the case in light of Mr P's response to my provisional decision, I remain of the view that his complaint shouldn't be upheld.

I acknowledge Mr P's points, but I'm not persuaded his interpretation of what T212 did is accurate. The terms and conditions are clear that T212 has the right to make adjustments to the account or a holding based on certain circumstances when trading CFDs. It's important to reiterate here that Mr P has made reference to selling "an item" or selling his shares, but that's not what he was doing – he was trading a price and at no point was he entitled to any shares.

So the terms of the account allowed T212 to do what it did – and the circumstances, in my view, were those identified in the terms. As I explained in my provisional decision, the profit Mr P realised when he closed his trades was not the result of a positive market movement, but purely the result of his position being larger than it should've been. This was not something he'd ever have been able to achieve had he been trading actual shares. So it was fair and reasonable for T212 to adjust Mr P's account to ensure that this was put right. This is what it did – and as I've said, Mr P didn't lose any profits, because had the size of his position been updated correctly, he would not have made a profit.

Mr P has also made reference to selling at what he thought was the genuine price – I have some sympathy here. However, as I explained in my provisional decision, the price of V fell considerably after his sale – so even if I thought he would not have closed his positions had the correct price been showing, there would still not be any compensation to pay because getting out of the market at that point ended up being financially advantageous for him.

Ultimately, for the same reasons as those I explained in my provisional decision (and which I confirm as final), I'm not persuaded T212 did anything wrong in adjusting Mr P's account. The terms clearly provided for this sort of situation and it carried out the adjustment promptly and with a full explanation.

My final decision

My final decision is that I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 October 2025.

Alessandro Pulzone
Ombudsman