

The complaint

Mrs L complains that Freetrade Limited have not paid her the full proceeds from the sale of her shares.

What happened

Mrs L used Freetrade's application for trading. On 23 October 2024 it displayed a price of £3.10 per share for IAG so she instructed a sell order of 1000 shares. However, when the markets opened the following day, Freetrade executed the sell order at the price of £2.13 per share. As a result, she received £970 less than she'd expected.

Mrs L complained to Freetrade about the error in pricing but says Freetrade refused to take any responsibility for this stating the error was due to their pricing data provider. She complained that she relied on the information the platform provided to make her investments and that they should have responsibility for the accuracy of the data they are displaying. To resolve her complaint, she would like either the sold shares to be reinstated or the difference in price she had been shown and the executed price to be paid to her.

Freetrade issued the final response letter in January 2025. They said the price shown in-app is an indicative price and that she would receive the price that was available in the market at the time the order was executed. They say she received a price that was 0.0263% better than the main market price at the time.

They also said the price spike which she complained about was due to an error from the pricing provider which is outside of their control. They say the terms already mentions the use of third-party providers. They also say section 25.15 of the terms and conditions confirms they will not be liable for any loss because of using the Freetrade application. They didn't uphold her complaint, but as a gesture of goodwill did credit her general investment account with £23.98 which was the equivalent of two months of Freetrade Plus membership.

Unhappy with this outcome, Mrs L brought her complaint to this service. An investigator here didn't agree with Freetrade. He was persuaded she wouldn't have sold the shares if the price was accurate and suggested reversing the order as the terms suggest it can be done where the market data is manifestly different from the actual market price. He said an incorrect price was displayed which affected her ability to make decisions about her investments, so he asked Freetrade to void the sale order and reinstate Mrs L's shares upon return of the sale of proceeds by her.

Freetrade didn't agree with the investigator, so this came to me for a decision. I issued a provisional decision coming to a different conclusion than the investigator and copy this here.

Freetrade operates a share trading platform which Mrs L used to sell her shares. This was a non-advisory service where Mrs L instructed the sale of her shares with no input from Freetrade. This means that she makes the decision to sell her shares based on the information available to her. Here she instructed Freetrade to sell her shares when the

market was closed in the evening of 23 October 2024, so I have looked at what the terms and conditions say should happen where an instruction is placed when the market is closed and whether Freetrade have acted in line with the terms and conditions of the account.

The terms of the account say that Freetrade “will execute your instruction as soon as reasonably practicable after we have received it.” As this order was placed outside of the market open hours, the order was not executed straight away, and any queued orders begin being processed from 8.30 am the following morning when the market reopened. Freetrade said it was unlikely Mrs L would have received the last price displayed on the application when she placed the order at £3.10. To get the price showing on the market at the time, the order needs to be placed as an Instant Order during market trading hours.

The information I had seen suggested there were a few changes in prices in the relevant period between 23-24 October 2025 and the screenshots I’ve seen displayed varying prices below £3.10. Whilst this isn’t uncommon, I did query this further to obtain more information on the prices available. In response to my query Freetrade said that their pricing provider The London Stock Exchange confirmed there was no pricing error and on 23 October 2024 at 16:52 the listed price was £3.10900. It explains why Mrs L saw this price when she placed the sell order and fully appreciate why she was expecting this price.

That said, it is typical this type of trading to be in this situation particularly when executing orders outside of trading hours. Mrs L order was placed in the queue and executed at 09:02 the next morning so she received the correct price available at £2.13256 when the market was open at the time of execution. This is standard practice and section 17 of the terms and conditions of the account are clear in explaining this, so I don’t think it was unreasonable on Freetrade’s part to execute the order when they did.

It is also clear that when viewing stock outside of market hours, a message is displayed informing the customer that “The US market is currently closed. It will re-open at X today. View market opening hours”. When Mrs L would have proceeded to “Sell”, she would have seen a further message “Market closed, order will be placed from X today.” It was clear to her on the application that the price she was seeing was an estimate so the price she may get could differ.

It is evident there was no pricing error and that Mrs L ought reasonably to have been aware based on the above, that the price she saw outside of market open hours may not have been the price she received. The terms and conditions of the account that she signed up to are clear in explaining this. Overall, I am not persuaded Freetrade did anything wrong because Mrs L received the correct price that was available on the market at the time.

In my provisional decision I said I did not intend to uphold this complaint against Freetrade Limited so will not be asking them to do anything further.

Responses to my provisional decision

Mrs L responded to the provisional decision with further representation that I have summarised below.

- 1. She accepts the risk of placing a trade outside of trading hours and that her order will be executed at a lower price. However, the main issue is that Freetrade displayed erroneous pricing data.*
- 2. Freetrade wouldn’t take responsibility for the pricing data and relied on a general disclaimer in their terms and conditions. As a consumer she is entitled to rely on information they present to her as part of the service they provide. Any inaccurate data from their pricing provider is a matter for them to resolve.*

3. She requested further information on the LSE data showing the £3.10 share price as her understanding correlated with £3.10 pricing shown in their application as an error.

Freetrade didn't specifically comment on my provisional decision but responded to Mrs L's points above. They say :-

1. They were initially advised by their pricing provider that there may have been an issue from their end, but it was later confirmed that no error had occurred.
2. Section 17.1 of the terms and conditions state they do not set the price shown in the application and section 17.3 states that the in-application price is indicative only, displaying the 'last price' of the stock. They received the most recent price the security was bought/sold for.
3. There is an email chain from the provider which includes confirmation from LSE that there was a valid trade at £3.10 before Mrs L placed her order. The in-app price reflects the last market trade, and this price was shown accurately to Mrs L.
4. This particular trade was off-book, and it did not appear on the LSE website.
5. They found no issue with the pricing in the app; the customer's order was also executed correctly and in line with both market conditions and their Order Execution Policy.

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've reviewed the responses from both Freetrade and Mrs L and there was no information that would lead me to make changes to my provisional decision. So, I see no reason to depart from my provisional findings and make the same findings here.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint against Freetrade Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 16 October 2025.

Naima Abdul-Rasool
Ombudsman