

## The complaint

Mr R complains that Robinhood U.K. Ltd didn't act on his instructions to urgently restrict his access to his share dealing account. He says the delay in implementing restrictions caused him emotional damage and he wants compensation of £25,000.

## What happened

Mr R opened an execution only share dealing account with Robinhood in April 2025. There was a margin facility associated with the account.

Mr R contacted Robinhood on 3 July 2025 using its chat facility. He said he had a severe gambling addiction, was suffering a mental health crisis and needed restrictions put on his account urgently.

Robinhood didn't restrict the account until 9 July, after Mr R had contacted it again and after he'd complained.

In the meantime, Mr R had deposited money into the account and traded. He told us he wasn't looking for redress for the money he'd lost, but compensation for his relapse into gambling and the significant psychological harm this caused him.

Robinhood accepted it should have acted sooner to restrict Mr R's account. But it didn't think there was any basis for Mr R's compensation claim.

Our investigator thought restrictions should have been placed on Mr R's account when he requested it on 3 July. He recommended Mr R should be compensated for the trading losses he made during the period 3 July to 9 July, plus interest at 8%. He thought that Mr R was already struggling with addiction and his mental health and that Robinhood's lack of action on 3 July contributed to, rather than caused, his relapse. The investigator recommended the account was closed as soon as possible and that Robinhood pay Mr R £400 for the distress and inconvenience caused.

Robinhood said it would pay Mr R £500, to include the trading loss of US\$60.62 he incurred from 3 to 9 July, plus interest.

Mr R didn't agree with our investigator's view. He said, in summary, that:

- He asked for the account to be closed – to withdraw his money and end his access. The account wasn't closed until 15 September.
- Robinhood's negligence pushed him into a relapse and suicidal crisis, as documented by his doctor.
- The failure to close his account for more than two months meant he has continued to log in and hours of his time are consumed by viewing live trading data. He says this has prolonged the significant harm and acts as a trigger for him to relapse.

- £400 doesn't reflect the seriousness and duration of the distress caused.

### **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 carefully weighing up all the evidence presented by both sides, I think Robinhood's offer to pay Mr R £500 is fair and reasonable. I know this will be very disappointing news for Mr R and I want to assure him that I didn't take this decision lightly. While I in no way underestimate the severe difficulties he's experienced, I don't find Robinhood is obliged to pay him the level of compensation he's requested. I'll explain why.

It was clear from Mr R's chat messages on 3 July that he was addicted to gambling and that he had suffered a relapse. He was trying to help himself by asking for his account to be closed. I find the chat response was inadequate as it told him he would have to wait for some share sales to settle. And the same response was repeated, even when Mr R said he would end his life if he was able to continue trading. At the end of the chat, Robinhood said Mr R would be contacted by email. But Mr R didn't receive any further contact from Robinhood. I find Robinhood failed to act immediately to place restrictions on Mr R's account and Mr R was able to deposit money and trade. I agree with our investigator that Robinhood should reimburse Mr R for the trading loss he made as a result of its failure to act, plus interest at 8% simple per annum.

The doctor's report provided by Mr R from July 2025 shows that he had a gambling addiction, had previously undergone rehabilitation but had "*recently relapsed*". And it's clear from other complaints that Mr R has referred to this service that he'd been addicted for several years and had experienced severe mental health problems before. I think it's also clear that when he contacted Robinhood on 3 July his mental health was causing him severe problems. I find the failure of Robinhood to act following his contact on 3 July made things even worse for him. But I think the impact of Robinhood's delay was a contributing factor to his mental health crisis, rather than the sole cause.

It's difficult to separate the distress suffered as a direct result of Robinhood's delay, from the anguish he was already dealing with, and would have suffered anyway. I've carefully considered both Mr R's testimony and his doctor's report but, when deciding fair compensation, I've given weight to the points I've made above about the existing problems he was suffering.

Mr R asked for his account to be closed. But Robinhood didn't close the account until 15 September. Instead, on 9 July, it restricted him from depositing any money into the account and stopped him trading. I don't think this was unreasonable. Whilst Mr R told Robinhood "*I've been hooked on this app*" and "*it's consumed every part of my day*", I think it was reasonable to conclude that the best help to stop Mr R from gambling would be to stop him depositing money or trading. And I think Robinhood reasonably thought it was acting in Mr R's best interests by allowing him to continue to access his account so that he could withdraw the cash balance and access any account information he might need, for example for tax purposes.

I understand Mr R has said that simply being able to access the app, without trading, was distressing for him, as he was consumed by watching stock price movements. But I don't think that this was reasonably foreseeable for Robinhood. And, in any event, the market information the app gave him access to, wasn't something that could only be accessed through Robinhood's app – Mr R could've accessed that information from other sources on the internet. So I don't think it would be fair to hold Robinhood responsible for Mr R being

exposed to market information.

In its final response to his complaint dated 21 July, Robinhood made it reasonably clear that there were restrictions on the account, rather than it being closed. Mr R replied to this letter on 22 July and on 23 July, to explain he wasn't happy with the response and would be taking further action; but he didn't say that he was unhappy with the restrictions that had been placed on the account. I'm satisfied that Robinhood closed the account on 15 September after Mr R had contacted it to explain how continued access to the account was impacting him.

I'm aware Mr R wants this service to ask Robinhood to provide evidence of his account logins, session activity, trading attempts and emails sent to his account during the period from 9 July to the date the account was closed. But I don't find that will make a difference to the outcome of this complaint. I say that because Mr R has provided enough evidence for me to see that he spent a considerable amount of time on the app during this period. Whilst I understand what he's told us about how this continued to impact his mental health, I've already explained why I think Robinhood didn't act unreasonably.

### **My final decision**

My final decision is that Robinhood U.K. Ltd should pay Mr R £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 24 November 2025.

Elizabeth Dawes  
**Ombudsman**