

The complaint

Mr H complains about the information he received from Trading 212 UK Limited (T212) on tax and his stocks and shares individual savings account (ISA). He said he had been given changing and misleading answers from it.

In addition, Mr H said T212 did not make it clear what the maximum number of shares he could buy in an investment. He said if he was aware he could not pursue his investment strategy from the outset, he could have gone to a provider that was able to accommodate what he wanted.

Mr H thinks T212 should pay him compensation for his investment losses and more than it has offered for the distress and inconvenience it has caused.

What happened

Mr H has a stocks and shares ISA with T212. He switched his cash ISA from a third party into his ISA with T212 in January 2025 and had a wider plan to invest all his money in a particular REIT, so that he could get a better return and potentially capital growth too.

Mr H had some initial concerns about how T212 handled the distribution from REIT's of property income distributions (PID). He enquired with it about the tax implications and said he was given inconsistent information by its customer services. Mr H said in addition, he couldn't buy all the shares he wanted in the REIT in question due to a quantity limit imposed by T212. Mr H said it hadn't made this clear. He complained to T212 about these issues.

T212 responded to Mr H's concerns and said it was sorry for the inconvenience he experienced when he contacted its customer services team. It offered £50 as a gesture of goodwill, due to what it said was conflicting information that he received. T212 said in response to his question about withholding tax at source, that it still applied for PIDs before they are credited to an ISA account. It said tax was applied before the funds reach the account.

T212 said in terms of the quantity cap it applied, it was allowed to unilaterally impose limitations on quantity, and this was explained in its terms and conditions. It stated section 12.11 of its invest terms. Mr H was unhappy with its response and complained to our service.

An investigator looked into Mr H's complaint. He said he felt T212 needed to go further and pay more compensation. He said Mr H was given different information at different times and this would have caused distress and inconvenience. He felt T212 should pay an additional £200 on top of the £50 already offered, in the way it had handled the complaint.

The investigator said though that he had gone to T212 to clarify its position on tax, and it said this wasn't something that was applied to an ISA account. It said all its clients received the gross amount as it claimed the tax back. So, as this was the case, the investigator said Mr H hadn't made any financial losses here.

The investigator said he can't conclude T212 had provided any misleading information regarding quantity levels on certain shares, and its position was made clear in its terms and conditions.

Mr H was not in agreement with the investigator's view. He sent in quite a comprehensive response. He summarised his main points at the start of his document. He said:

- T212 couldn't rely on its term clause 12.11 because it was ambiguous, unfair, unachievable, biased and weighted towards itself.
- T212 unfairly restricted his ability to invest in the REIT he wanted to through his ISA. So, this forced him to make the investment he wanted via a general investment account (GIA) which caused him a financial loss because of the tax liabilities of not being in an ISA wrapper.

Because the parties are not in agreement, Mr H's complaint has been passed to me, an ombudsman, to look into.

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 have independently reviewed Mr H's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons. I will explain why.

The part of Mr H's complaint still in dispute is about quantity limits that have been applied by T212 to his ISA account. Mr H said that he transferred money into his ISA, to invest in a single REIT. But when he went to buy the shares, he discovered that T212 applied a quantity limit for this instrument, so he was unable to complete the investment as he intended.

Mr H says that because of this limit he had to move some money from his ISA into his GIA and bought the remaining shares that way. He says this has caused him to incur a capital gains tax liability and he believes he has suffered a financial loss as a result.

I have carefully read all of Mr H's points in his submissions, in particular one in response to the investigator's view. I acknowledge why Mr H feels disadvantaged by the situation. But to decide whether T212 has made any mistakes here, I need to be satisfied that an error from it caused his financial loss. After looking through everything, I don't think this is the case here.

I say this because I can see T212 applied a quantity limit, as set out in the ISA terms and conditions Mr H agreed to when he opened his account. So, it was only doing what, from the outset, it said it was going to do. I don't think T212 has been unfair or unreasonable by doing this.

Mr H says T212 should have presented information about the limit more prominently. I appreciate why he feels that would have been helpful. But the terms were available before he opened the account, and firms aren't required to highlight every detail about how the service is run in advance, only that these are accessible and can be found by its clients. In this case, T212 wouldn't have known in advance that Mr H intended to concentrate his entire ISA allowance on this single position. But even if it did, as an execution only broker it would have been up to Mr H to seek the information, he needed about this.

T212 has explained why it has quantity limits, and these are for its own risk management framework. I am satisfied this was a legitimate commercial decision. Firms are entitled to design their products differently, as long as they meet their obligations. Something, on this occasion, about this issue, I am persuaded it did with Mr H.

So in conclusion, I don't think T212 did anything wrong in applying the quantity restriction, something it said it would do within its terms and conditions. Ultimately, as he had signed up to an execution only service, it was up to Mr H to decide what he wanted to do, after he was aware of the quantity cap. So, when he moved his money to his GIA and invested in the REIT, this was a decision he was free to make. It was one that made him investment gains and then subsequently a tax liability, this isn't something though, that I think T212 were responsible for, for the reasons I have already given.

Finally, Mr H was given conflicting information from T212 about withholding tax within an ISA. The investigator managed to clarify that T212 was able to reclaim tax and so as this is the case, Mr H hasn't made any losses based on what he was and wasn't told. I do agree with the investigator though that the conversation about this was protracted and unnecessary. I am satisfied that T212 should pay Mr H an additional £200 on top of the £50 it has already offered.

I appreciate that my decision will be disappointing for Mr H as he was looking for me to make different conclusions to the ones I have made above, and for more compensation than I have awarded. I know that he thinks the term for quantity limits is unfair, and that T212 has caused him a tax liability. But after looking through everything, I don't think on this occasion it did anything wrong about this, and it acted within the terms of Mr H's account. I do think T212 caused Mr H distress and inconvenience, and it should pay more than it has done for this. So, my decision is that T212 should pay Mr H £200 plus the £50 it originally offered.

My final decision

My final decision is that Trading 212 UK Limited should pay Mr H £200 in addition to the £50 it has already offered, making £250, if it hasn't paid any part of this already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 January 2026.

Mark Richardson
Ombudsman