

## The complaint

Mr S complains that Interactive Brokers (U.K.) Limited ('IBUK') unfairly prevented him from withdrawing some of the US dollars that he received in a dividend payment from his trading account with them.

## What happened

Mr S opened an individual trading account with IBUK on 21 April 2021 that was enabled for stocks, bonds and multi-currency transactions.

On 25 October 2024 and 11 November 2024, Mr S deposited £14,000 and £13,000 into his IBUK trading account, which he subsequently used to purchase GBP denominated bonds. Given the type of deposit, the funds were subject to a 180-day withdrawal hold.

On 23 January 2025, Mr S contacted IBUK after he was unable to withdraw some US dollars that he'd earlier received from a dividend payment. Mr S indicated he had USD \$2,000 in his account, but the system showed USD \$0 available for withdrawal. IBUK customer service informed Mr S that the funds were subject to a withdrawal hold and signposted a FAQ article on their website. Mr S asked for an explanation as IBUK's FAQ referred to GBP deposits and the funds he was attempting to withdraw, were USD.

The same day, Mr S decided to formally complain to IBUK. In summary, he said the USD withdrawal he was attempting were funds that came from a dividend that he received in December 2024, so there shouldn't have been any restriction placed on those monies. IBUK responded to Mr S, explaining that due to recent changes in the rules around Authorised Push Payments (APP) fraud prevention, GBP funds deposited through BACS and Faster Payments (FPS) can only be sent to the bank from which the deposit was made for 180 calendar days after the deposit.

Mr S stated that he didn't understand as the USD he was attempting to withdraw were separate from the GBP he'd deposited. However, IBUK explained the hold applied to the US dollars as well. IBUK went on to say that if Mr S wished to withdraw funds, then he could convert the USD to GBP and withdraw them to the originating bank account. IBUK stated that there must be available cash greater than the amount on hold. They also said that the 180-day hold was due to the method of deposit and withdrawal to a non-originating bank. However, they explained that for future deposits, CHAPS or bank wires had holds of only three business days.

IBUK went on to say that as they'd correctly applied the withdrawal hold by following their internal policy and reimbursement requirements, they were unable to uphold his complaint. Mr S was unhappy with IBUK's response, so he referred his complaint to this service. The complaint was then considered by one of our Investigators. She concluded that IBUK hadn't treated Mr S fairly as from what she'd seen, there was no evidence that they had proactively informed their customers about the amendments they were making to withdrawals following the changes that were introduced as a result of the APP fraud prevention measures. In

addition, she also said that she didn't think it was clear from IBUK's website that the hold would be on an amount equivalent to the fund deposited via BACs or FPS into the account for 180 days, regardless of currency and origin. To apologise, our Investigator recommended IBUK pay Mr S £150.

Whilst IBUK said that they were happy to accept our Investigator's assessment, Mr S, however, disagreed with our Investigator's findings. In summary, he said:

- There is no regulatory requirement mandating six-month withdrawal holds on deposited funds without client notification.
- He doesn't agree that he could have reduced his costs by converting currencies and withdrawing to his originating account.
- The £150 proposed compensation is insufficient to cover the alternative method our Investigator had suggested.
- The conversion and withdrawal suggestion is not in line with IBUK's rules on the account such as D1.2.2 of the client agreement.
- The hold remains in place until 16 May 2025.
- To resolve matters, he wanted compensation of £460.

Our Investigator was not persuaded to change her view as she didn't believe Mr S had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, Mr S then asked the Investigator to pass the case to an Ombudsman for a decision.

### **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 summarised this complaint in less detail than Mr S has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No courtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr S and IBUK in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm upholding Mr S's complaint and whilst there's not a great deal more I can add over what our Investigator has already set out - I'll explain why below.

The crux of this case is that when Mr S attempted to withdraw some US dollars that had come about from a dividend he'd received, those dollars fell under IBUK's deposit hold because there were less funds available in the account than the amount that was subject to the hold. The attempted withdrawal was not in GBP and not to the same bank from which the deposits originated. IBUK say the withdrawal rejection was therefore in line with their new policy that came about because of the APP regulations.

I think it would be useful to provide some broad context around how this issue has come about. On 7 October 2024 (shortly before Mr S made his two deposits), the Payment Systems Regulator (PSR) implemented major changes to tackle Authorised Push Payment (APP) fraud in the UK. These changes were designed to significantly improve consumer protection and ensure victims of APP scams are reimbursed more consistently and fairly. In short, the new rules place a shared liability for reimbursement on both the sending and receiving bank or payment service provider, making them jointly responsible for compensating victims.

As a result of those changes, IBUK made some alterations to the way they handle withdrawals, meaning any funds deposited through BACS and Faster Payments, can only be withdrawn to the bank from which the deposit was made for 180 calendar days after the deposit. IBUK explained that this mitigates the risk of an APP fraudster getting a client to unwittingly send funds to a third-party recipient and it also mitigates IBUK's potential liability if things go wrong.

Mr S has stated there is no regulatory requirement mandating six-month withdrawal holds on deposited funds without client notification. Importantly, it's not the role of this service to either oversee or interfere with decisions that firms make, and we're not here to fine or punish businesses when things go wrong, that's the responsibility of the regulator, the Financial Conduct Authority. Our role is to consider disputes between regulated firms and consumers when things go wrong. What we would expect though, is when any change is implemented, it's done so fairly and the consumer hasn't been disadvantaged by it.

IBUK say that to make consumers aware of the changes they were implementing, a banner was placed on their website within the account funding page and information was included within the FAQ section. IBUK have also said that they were able to make the change because it conforms with the Client Agreement section A16.1.2 which states: "*IBUK, IBLCC and/or our Affiliates may take or omit any action considered reasonable to comply with Applicable Law.*"

However, I can see why Mr S was confused with IBUK's approach; I've looked closely at the FAQ section on IBUK's website, which they state, covers the new APP hold changes. It states:

***"What is the withdrawal hold period for FPS and BACS GBP deposits?***

***Due to changes implemented on October 7th, 2024 to reimbursement requirements for Authorized Push Payments, funds deposited through BACS and Faster Payments (FPS) can only be withdrawn to the bank from which the deposit was made for 180 calendar days after deposit."***

The FAQ only refers to GBP and there's no mention of other currencies, so I don't think it's clear to consumers that the hold would be an amount that was equal to the funds deposited by BACs or FPS over the last 180 days. Given Mr S deposited monies in October and November 2024, this meant there would be an equivalent hold on those amounts deposited until April and May 2025, regardless of where the monies had come from or what currency there were in – which meant his US dividends were impacted.

And, whilst IBUK say that they included a banner within the account funding page, it appears that IBUK didn't inform their customers ahead of making the change. But, from what I've seen, the change doesn't restrict IBUK's consumers from withdrawing funds to their originating bank in the same currency. So, had Mr S wished to continue with the withdrawal, he could've converted his US dividends into GBP and remitted the monies to his originating bank.

I do appreciate Mr S's frustration at not being able to access his monies when he wanted. However, from what I've seen, had Mr S wanted to withdraw his US dollars, he could have converted it to GBP and sent them to the originating bank account from his deposits. On 28 January 2025, IBUK communicated this fact to Mr S. I've not seen any evidence to suggest that Mr S was prevented from accessing his funds for investments, converting to other currencies, or in fact from withdrawing them. It would seem that he was only prevented from sending them to a non-originating bank account, which was in line with IBUK's 180-day hold policy.

In his submission to our Investigator, Mr S has explained that he'd like IBUK to pay him £460, but I can't award compensation for hypothetical losses or taxes that haven't been incurred. Mr S only ever attempted to withdraw USD \$1,000, which he ultimately never ended up doing, despite being given an alternative route of doing so when his withdrawal was originally blocked.

### **Putting things right**

We consider the emotional or practical impact of any issues identified on a complainant. From what I've seen, IBUK didn't clearly communicate the hold change that they were implementing and the information that they did signpost to Mr S wasn't particularly clear. So, it's clear to me that he's been inconvenienced. As such, I require IBUK to pay Mr S £150 for the inconvenience that they've caused him.

### **My final decision**

I'm upholding Mr S's complaint and require Interactive Brokers (U.K.) Limited to put things right for him in the manner that I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 December 2025.

Simon Fox  
**Ombudsman**