

## The complaint

Mr G complains that eToro (UK) Ltd liquidated his investment positions without his consent causing significant losses. He also complains about currency conversion to and from USD which he says increased his realised losses.

## What happened

Mr G held a trading account with eToro and on 20 and 22 January 2025, he made deposits into his account totalling £28,000 and opened five positions in Bitcoin and seven XRP. He said his positions had been liquidated on 19 May 2025 without his consent and when his account was closed in May 2025, he was left with an account value of £22,296.64 which represented a realised loss of £5,703.36.

He said eToro caused him losses which were only exacerbated when they converted the funds from USD to GBP. He asked eToro to investigate the discrepancy in his account value and complained about the positions which had been liquidated.

eToro issued their final response letter on 28 May 2025. They said they requested information from Mr G as part of their regulatory obligations to perform due diligence, ongoing monitoring of clients' accounts and to provide evidence of the source of his funds. When Mr G failed to provide the evidence requested, they proceeded to liquidate his positions and close his account.

They said their platform operates in USD only and his portfolio would be affected by any currency which isn't USD. They said a 0.75% conversion rate applied to all deposits and the portfolio would be affected by currency fluctuations and live currency rates at any given time. They concluded that there was no discrepancy on the account and didn't uphold his complaint.

As they didn't uphold it, he brought his complaint to this service. To resolve his complaint, he is seeking:-

- full recovery of the £28,000 he invested
- additional compensation for time spent and stress
- an outcome to address the communication and conduct failings by eToro
- a recommendation for eToro to enhance their onboarding protections and in-app alerts

The investigator considered the merits of the complaint and detailed the relevant terms and risk disclosure notice which say the account would be in USD and there would be a charge for converting any currency other than USD in or out of the account. He said eToro had requested funds to comply with their regulatory obligations and the terms allowed them to perform the actions they did both in liquidating Mr G's positions and closing the account. He concluded that eToro hadn't done anything wrong and didn't uphold the complaint.

As Mr G didn't agree with the investigator, this came to me 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.

My role here is to resolve complaints between businesses and consumers and not to punish a business where wrongdoing has been established. In reviewing this complaint, I may not comment on each point and focus on what I think are the key issues in the complaint. That said, I would like to reassure Mr G that I have considered all the evidence and information provided before reaching my conclusion including his detailed submissions. Having done so, I do not uphold the complaint. I will explain further.

Mr G says essential verification steps were not done at the onboarding stage and had this been done, the situation could have been avoided. His account was opened in June 2020 and had been fully verified then and was also updated in 2024. Mr G didn't place any trades until January 2025, and I can see from the evidence that the large deposits to his account in January 2025 triggered eToro's request for information.

It is important to point out here, that there is a regulatory obligation on eToro to ensure due diligence on their customers and their funds. eToro explained they had requested information from Mr G to identify the source of his funds to comply with their regulatory obligations. The terms of the account say they are entitled to require additional information for anti-money laundering regulations. It also says:-

*“The information you provide us must be complete, accurate and not misleading. If you do not provide us with the required information, or if you provide inaccurate, incomplete or misleading information, we will not be able to open an eToro account for you, or if you already have an eToro account, we may freeze, block, or close your eToro account.”*

In line with their terms and conditions, eToro requested the information on two separate occasions, on 14 February 2025 and a second time on 28 February 2025. As the requested information was not provided, on 27 March 2025 eToro restricted his account so he could no longer withdraw or add funds to his account, or open new trades. However, he was still able to adjust and close any open positions. He was given a 28-day extension to comply with the request for further information. The evidence shows eToro made it clear that failure to provide the requested information would result in the liquidation of any open positions and closure of the account. I am satisfied these communications were fair, clear and not misleading and that Mr G was given sufficient opportunity, including additional time to respond before any action was taken.

Mr G contacted them on 20 May 2025 by which point his positions had been closed as the deadline to respond had passed. eToro had already sent the first closure notification on 30 April giving him five days to manage any open positions after which point they stated they would be closed at market rate. As Mr G said he would comply, he was given a further seven days to submit the information. Their letter to him on the 16 May 2025 was clear in saying they hadn't received the requested information and would proceed to liquidate his positions and close the account, and this is what they did. Given Mr G's failure to comply with the requests, I find that he was in breach of the terms of the agreement. In these circumstances, eToro was entitled under the terms and conditions to close the account and liquidate his positions. I do not find that eToro acted incorrectly or outside of their contractual or regulatory obligations in doing so.

I have also thought about whether Mr G's security concerns may have affected his response

to eToro. Whilst I do accept this could have contributed to a delayed response from him, I am not persuaded that this caused the complete lack of action on his part, particularly as he was given extra time to respond at his own request and still failed to respond in time. From what I've seen, eToro made reasonable efforts to communicate with him using the new email address he provided them. Mr G had from 14<sup>th</sup> February 2025 until 16<sup>th</sup> May when his positions were closed to act on the communications. Given the concerns he raised and that each communication from eToro clearly stated his account and positions would be affected if he failed to act, I don't think it is unreasonable to expect that Mr G should have contacted eToro sooner.

Turning to the issue of the currency conversion, eToro's terms and conditions as well as their risk disclosure notice make clear that the account is held in USD.

*"Your eToro account and our services are provided in US dollars. This means that transactions with eToro will carry an inherent foreign exchange risk, unless all the money you put into and take out of your eToro account is in US Dollars."*

This means that transactions involving other currencies will be subject to conversion. There are multiple other warnings informing customers of the currency being USD and that currency exchange applies as well as the associated risk, but I won't repeat them all here. I am satisfied that the currency conversion applied was consistent with the agreed terms and that Mr G ought reasonably to have been aware of this as this was clearly outlined in the account terms. As such I do not find that there was any error or unfairness in how these conversions were handled.

I know Mr G will be disappointed with my decision especially because the situation has impacted him in terms of the time he has dedicated to dealing with the complaint as well as the financial loss. However, overall, I find that Mr G failed to provide the information required under the terms of the agreement with eToro and was therefore in breach of that agreement. eToro acted in accordance with their terms and conditions and regulatory obligations in liquidating his positions and closing the account so I won't be asking them to do anything.

### **My final decision**

For the reasons given above, I do not uphold this complaint against eToro (UK) Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 May 2026.

Naima Abdul-Rasool  
**Ombudsman**