

The complaint

Mr M complains that Trading 212 UK Limited won't refund what he says are unauthorised payments.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. Mr M holds an account with Trading 212. This allows him to set up a virtual debit card to spend from his account.

Mr M says that he was out at a restaurant on the evening of 20 December 2024. In the small hours of the following day, he says his phone was snatched from him by a thief. Mr H has provided evidence to support that this was reported to the police soon after and that he took steps to block his phone.

Over the course of the next day, the following activity took place on Mr M's Trading 212 account. Some of the timings shared by Trading 212 were inconsistent, this has been explained by them saying some of their systems are based outside the UK and so there can be a 2-3 hour time difference to the time in the UK. I've combined this with the evidence from Mr M himself to ascertain the best estimate of the precise timings. These timings largely aren't material to the outcome of the complaint, and I am satisfied as to the chronology of the events.

Time	Event	Amount	Virtual Card Ending
4.24am	Reverted payment to Argos	£1,558.99	9454
4.29am	Payment to Uber *Cash	£200	9454
11.02am	Payment to Apple Store	£2,500	9454
11.20am	Payment to JD Sports	£350	9454
11.23am	Declined payment to Apple Store	£1,000	9454
11.24am	Declined payment to Apple Store	£1,000	9454
11.26am	Declined payment to Apple Store	£1,000	4305
11.29am	Payment to Sunnamusk	£70	4305
11.36am	Declined payment to Boots	£200	4305
11.41am	Payment to Lola's Cup Cakes	£32.65	4305

11.52am	Declined payment to Fenwick	£770	4305
11.54am	Declined payment to Fenwick	£770	4305
11.55am	Declined payment to Revolut	£500	4305

Trading 212 say the virtual card ending 9454 had been set up previously and used since April 2024 and that the virtual card ending 4305 was newly set up at around the time of the payments.

I'm aware there was also use and attempted use of other cards on other accounts Mr M held, but this complaint is just about his loss arising from his Trading 212 account.

Ultimately Mr M reported what had happened to Trading 212 and they declined to provide a refund. Mr M complained and when Trading 212 maintained their position, he referred his complaint to our service. One of our Investigators didn't recommend that the complaint should be upheld. Overall, he wasn't persuaded that Trading 212 had acted unfairly in reaching the outcome they did. Mr M disagreed and asked for an Ombudsman to review his complaint.

In December 2025 I issued a provisional decision in which I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm intending to reach a different outcome to that of our Investigator. As such, I'm issuing this provisional decision to give both sides a further opportunity to comment before my decision is finalised.

The Payment Services Regulations 2017 (PSRs) are a relevant consideration for this complaint. Unless certain exceptions apply, the PSRs say that Mr M will usually be responsible for payments he's authorised and Trading 212 would be responsible for unauthorised transactions.

In this context, authorisation requires two elements, authentication and consent. I'm satisfied by the evidence from Trading 212 that all the successful payments were correctly authenticated. That is they were made through the approved process in question. So, I'll next go on to consider whether Mr M consented to the payments.

Clearly I wasn't present on the evening in question or when the payments were made. So, I have to make my findings on balance based on all the available evidence. With that in mind, I think it's more likely than not that Mr M's phone was snatched from him in the street as he says it was. I've seen evidence of the messages between him and the police and some of the efforts he's gone to in trying to track CCTV and other evidence. I also find the account activity that followed to be suggestive of the spending being unauthorised.

Mr M is a professional and has said his career would be at risk if he was found to be falsifying a claim. I think he makes a valid point which supports that he would be somewhat unlikely to falsify such a claim (the outstanding value of which is around £3,000) and to potentially commit an offence of wasting police time in these circumstances, against the risk of losing his job and career.

So, on balance, I find that the payments in dispute were unauthorised under the PSR's. I'm not persuaded the evidence supports it's more likely than not that Mr M either consented to

the payments or gave permission for another to make them on his behalf.

However, as I've alluded to above, there are certain circumstances (under the PSRs) which would allow Trading 212 not to provide a refund for unauthorised payments. These are specifically if Mr M has, with intent or gross negligence, failed to take all reasonable steps to keep safe personalised security credentials. I've considered these factors below.

I think it's more likely than not that the use of 'Apple Pay' to authorise transactions would've required the entry of Mr M's passcode (given his biometric data wouldn't have been available to a thief). Mr M has suggested that he might have been observed or filmed by the thief when entering his passcode previously. I accept this is a possibility. And I also need to take account of the fact that I can't be 100% certain of what methods criminal gangs might be able to employ to bypass security, potentially through physical interference with a device or through malware once they are in possession of it.

Trading 212 have also highlighted the following:

- Mr M didn't choose to further secure his app by using a password (which was optional at the material time).*
- Mr M says he arrived home at around 3.00am, and the first payment took place at 4.24am. They also say that they have 24-hour customer support, and Mr M didn't report this to them until around 9.00pm the same day. They say had they been notified sooner, much of the loss could've been prevented.*

I've considered all of this, but I don't think any of Mr M's actions (or omissions) amount to him failing with gross negligence (the bar for which is high) or intent in such a way that he shouldn't be reimbursed under the PSRs. Mr M believed his phone was secure with both biometrics and a secure password, he took steps to block his phone and I don't think him not also contacting Trading 212 immediately amounts to gross negligence. So overall, I think Trading 212 needs to reimburse Mr M for the unauthorised transactions under the PSRs. And as he's been without the use of that money in the meantime, I think 8% simple interest should be added and also paid.

Trading 212 have also suggested that Mr M should be held liable for a proportion of the payments due to contributory negligence. I've considered this, but I don't agree. The PSRs say that full reimbursement should be provided unless a customer has failed with gross negligence or intent (which as above I don't think is the case here). And I don't think there is anything specific about this complaint which means I could fairly override the regulations to reduce the amount Mr M should receive.

For completeness, I'm also aware Mr M has raised some points about whether certain transactions ought to have gone through. This involves both the types of transactions and the cumulative pattern of spending. But as I'm intending to direct that he is fully reimbursed under the PSRs, there is no merit in further discussing other reasons why Trading 212 potentially ought to have done more.

I've also thought about whether compensation should be paid for the impact of Trading 212's decisions in relation to this complaint. I'm not currently minded that it should. Mr M was always going to experience a degree of inconvenience in relation to being a victim of crime as he was. The interest award I'm making is to compensate Mr M for being without the use of his funds. And I don't think any further compensation needs to be paid in these circumstances.

My provisional decision

For the reasons outlined above, but subject to any further information I receive from either

Trading 212 or Mr M, I'm intending to uphold this complaint.

I intend to direct Trading 212 UK Limited to pay Mr M £3,152.65. 8% simple interest should be added to this to be calculated between the date of loss and the date of settlement."

Mr M responded to say he accepted my provisional decision. Trading 212 made some further comments which I'll address below.

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.

Trading 212 have suggested that Mr M being observed or filmed whilst entering his passcode is implausible. For clarity, my provisional decision accepted this as a possibility, which I maintain it is. But as above, given the evidence is compelling that Mr M's phone was indeed stolen from him, I can't be sure what techniques criminal gangs may be able to employ with regard to a device's security once they are in physical possession of it. So this doesn't change my mind as to the outcome of this complaint.

Secondly, Trading 212 don't believe it was reasonable for Mr M to not report the theft of his phone to them sooner than he did and to rely on blocking the phone through his provider. They point out that had Mr M acted sooner, there would've been less money lost. I've of course considered this. Mr M's stolen phone was an iPhone. Whilst he did also report this to his network the following day, his testimony is that his priority was to block the phone through iCloud (something that would've locked the device and have prevented use of all apps) as soon as he arrived home. But due to needing two-factor authentication (2FA), he had to retrieve an old device from a location that wasn't available to him at that time in the morning to enable him to do so, something he did at his earliest opportunity. Whilst I accept with hindsight that had Mr M contacted Trading 212 earlier, then some of the loss would've been prevented. But I don't think Mr M acted so unreasonably by not doing so that a reduction should be made— at that time he still believed his device was secured via biometrics and a passcode.

Trading 212 say that contributory negligence has been applied in similar circumstances on other complaints and made an offer to refund Mr M with half of his loss plus 8% simple interest as a gesture of goodwill. This offer was put to Mr M who declined it. I can't comment on other complaints that our service may have considered. But I'm still of the opinion that in the specific circumstances of this complaint, it wouldn't be fair to make a reduction in award due to contributory negligence. The PSRs say that a customer will be reimbursed unless they've failed with intent or gross negligence to keep their security credentials safe. And whilst I understand the requirement to still reach an outcome that is fair and reasonable in all the circumstances, I'm not persuaded that it would be appropriate to set the regulations aside in this case. Here, I accept Mr M's phone was taken from him in the early hours of 21 December 2024. As I've covered above, he made his way home and attempted to block the device through iCloud but was initially unable to do so, he then did this later the same day once able to retrieve another device to use 2FA. In the interim he believed his device was still secure as it had a passcode and biometric access protection. I don't think this supports that he was negligent to the extent that it would be fair to make a reduction in award.

So overall, having considered everything that Trading 212 have put forward in response to my provisional decision, I'm not persuaded to deviate from the outcome I've previously explained.

My final decision

For the reasons outlined above, my final decision is that I uphold this complaint. Trading 212 UK Limited must pay Mr M £3,152.65. 8% simple interest should be added to this to be calculated between the date of loss and the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 February 2026.

Richard Annandale
Ombudsman