

The complaint

Miss G complains that ETORO (UK) LIMITED (“eToro”) unfairly told her it was going to close her account. She says as a result her positions were closed, causing her a loss.

What happened

In May 2025 Miss G tried to make a cryptocurrency transfer using her eToro accounts. As part of its security checks on the transaction, eToro spoke to Miss G and during the call eToro understood Miss G to have said her husband operated her trading account.

Following this call eToro told Miss G it would close her account as its terms didn’t allow for third parties to operate its clients’ accounts. Miss G tried to talk to eToro as she said it had misunderstood and no-one else ran her account.

On 5 June eToro reversed its decision and said it wouldn’t close Miss G’s account. But on that day, before this decision, it had closed her open positions. Miss G transferred her funds out of her eToro account and complained.

On 13 June eToro wrote to Miss G. It apologised for the miscommunication which led to the closure of her positions. It said if she redeposited the money in her account by 16 June, it would top the amount up with enough to repurchase the same number of units in the positions that had been closed. It followed this up with a final response to her complaint on 16 June. This reiterated the offer to reinstate her positions, as well as offering US\$300 for the inconvenience she’d been caused.

Miss G remained unhappy and came to our service. One of our investigators looked into things. She thought it was unfair for eToro to have threatened Miss G with account closure, as she didn’t think the circumstances justified it. But she didn’t think Miss G had suffered a loss – because she could have re-opened her positions once eToro changed its mind. Our investigator did however say that she thought the experience had been very stressful and inconvenient for Miss G. She recommended it increase the amount it paid Miss G in compensation to £500.

eToro accepted the investigator’s recommendation. But Miss G didn’t. She maintained eToro had caused her a loss of about £2,500 by closing her positions, and didn’t think reinstating her trades at the 16 June prices would have fairly put things right. She asked for an ombudsman to decide the matter.

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.

Everyone agrees that eToro shouldn’t have told Miss G it would close her account. It revised its position, apologised, and offered to put things right. What remains in dispute, and what I’ve therefore had to decide, is what fair compensation looks like.

Putting things right

Miss G had a number of open positions on 5 June 2025, which were closed by eToro. She's said this caused a loss of £2,500. She's provided screenshots of the losses on individual trades – but has only provided those positions which were closed at a loss. From the evidence provided, Miss G had other positions open on 5 June which closed for a profit. eToro has provided a list of all the trades it closed on 5 June, and has shown that collectively across these trades Miss G made around \$1,500 profit. So I'm not persuaded eToro's actions caused a £2,500 loss, or in any way crystallised a loss it would be fair for it to compensate her for.

I've also thought carefully about the loss of opportunity – Miss G lost out on the ability to make more or lose less on the individual trades that were closed. However, after deciding not to close Miss G's account, eToro offered to pay her a sum to allow her to reopen her trades. Miss G says she didn't want to reopen the trades at the prices on 16 June – but I'm satisfied that had those prices been more favourable for Miss G than the ones she'd been closed at, then eToro's offer of paying her an amount to purchase the same number of units would have fairly compensated her for that.

To put it another way – Miss G had the opportunity to reopen her trades using the proceeds of the 5 June closure, plus a sum from eToro, to give her the same number of units in each security at the 16 June prices. I'm satisfied this would have left her in an identical position, financially, as if the trades had never been closed on 5 June in the first place. Effectively eToro's top-up sum (if any were required) would have represented the lost gains she'd missed out on between 5 and 16 June – and she'd have been able to benefit (or lose) from market movements thereafter.

Taking all this into account I'm therefore not persuaded eToro's closure of Miss G's positions caused a loss. Nor did its actions and subsequent offer to put things right leave Miss G worse off than if her positions had never been closed in the first place. It follows I find no financial loss which it would be fair to require eToro to compensate.

Like our investigator I agree that being told her account was closing – and because she'd allowed a third party to use it, which she says she hadn't – would have been stressful and frustrating for Miss G. In all the circumstances I agree with our investigator that £500 is fair compensation in light of that.

My final decision

For the reasons I've given my decision is that ETORO (UK) LIMITED should pay Miss G £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 15 May 2026.

Luke Gordon
Ombudsman