

## The complaint

Ms L complains that Trading 212 UK Limited (“T212”) misled her as to the interest she would receive on her Stocks & Shares ISA and she seeks redress including compensation for having missed out on two months of lost interest.

## What happened

In May 2025, Ms L decided she wished to transfer cash in her Cash ISA with T212 into a Stocks & Shares ISA with T212. On 8 May 2025 she contacted T212 via its online message service and asked about how to make this transfer. Ms L also asked about when she could invest once the money was transferred and she also asked about what the interest would be on uninvested cash in a Stocks & Shares ISA. T212 confirmed the interest would be “4.6% AER”.

Ms L says that after the transfer was made on 9 May 2025, she had assumed interest would be applied automatically. At some point she says she realised interest was not being applied and needed to be expressly consented to and activated. She activated the interest on 9 July 2025.

Subsequently, Ms L wrote to T212 to complain that (i) the T212 mobile application (in particular the projected interest – which she says had no “*disclaimer*”) misled her into thinking interest was being applied, (ii) there was no clear warning that interest needed to be manually activated before it would apply, (iii) during the 8 May 2025 online exchange T212 omitted to mention the requirement of manual activation and effectively misled her into believing interest would be applied automatically. Ms L stated that this meant T212 had failed to ensure, pursuant to its obligations under COBS 4.2, that its communications were clear, fair and not misleading. She sought compensation for the two months of lost interest she claimed she had suffered.

On 16 July 2025, T212 provided its final response letter in which it did not uphold Ms L’s complaint. This was based on the following: (i) it did not accept that the online exchange was misleading, and (ii) it also stated that generally the manual activation requirement was made clear via its website and its terms and conditions.

Ms L was unsatisfied with this response and escalated her complaint to this Service. By way of redress, Ms L said she wanted the two months lost interest.

Our Investigator reviewed Ms L’s complaint but decided not to uphold it. This was based on the following findings:

- The 8 May 2025 online communications from T212 were not misleading and focused on how to make the transfer rather than the interest.
- T212’s terms and conditions, its website and its mobile app make clear the requirement for manual activation of interest.
- T212’s mobile application was not misleading on whether interest was accruing in her

account.

- Ms L had manually activated interest a year previously on another T212 account and so ought to have known of the requirement.

Ms L responded to the Investigators view making several points. In particular, she did not agree with the characterisation of the 8 May 2025 online exchanges and stated that the specific purpose was to discuss interest rates, and she maintained T212 misled her during the call. In addition, she did not accept that her previous experience of manual activation was relevant as this related to a different product and did not overcome the fact she was given misleading information when she specifically asked about the conditions of the ISA transfer. Ms L maintained that the mobile application interface was misleading. She reiterated that T212 failed to ensure its communications were clear, fair and not misleading. Ms L added that the investigator had failed to consider the FCA Consumer Duty and in particular as it relates to consumer understanding and the requirement to avoid causing foreseeable harm.

Given Ms L's response, the Investigator issued a further view essentially reiterating her original position. She added that T212 had shifted to an opt in model in February 2024 and prior to it – in December 2023 - sent an email out to all customers, including Ms L stating that customers would be able to get a higher interest rate through Qualifying Money Market Funds ("QMMFs"). It also explained how they could manually activate interest on their accounts.

Ms L disagreed with the Investigator's further view. She maintained and expanded on her previous positions. She stuck to her position that T212's communications were misleading and added that the fact that QMMFs came with a risk meant there was even more of an imperative to disclose during the 8 May online exchange that material risk and requirement of consent for manual activation. Ms L also claimed this amounted to a failure to disclose a material risk. Ms L felt her previous manual activation of interest and the December 2023 email informing customers of this requirement was irrelevant given this was a different product and the material risk with QMMFs meant the manual activation requirement and disclosure risk needed to be mentioned during the 8 May 2025 email exchange. Ms L also maintained that the display information in the T212 mobile application was misleading adding that the "*prominent daily interest figure suggested accrual was active*" and that the "*your earning section*" would be blank for any new transfer for the first day and so would not reveal if interest was actually being accrued.

For these reasons Ms L rejected the Investigator's further view and requested that the decision be reviewed by an Ombudsman, which is why the complaint has now come to me for 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.

As this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Ms L and T212 have provided. Instead, I've focused on those I consider to be key or central to the issues in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I will not be upholding this complaint. I'll explain why.

Ms L ought to have been aware of the manual activation requirement

I think it was made sufficiently clear in advance to Ms L that in order for interest to apply it needed to be manually activated and that she therefore ought reasonably to have been aware of this requirement at the material time. I say this for a number of reasons.

I do think the email that T212 sent all its customers including Ms L about the requirement for manual activation of interest going forward ought to have put her on notice about this requirement. The email stated that higher interest would be offered through QMMFs and that to obtain this you would need to go to your “*interest on cash dashboard*” and “*tap enable*”. I think this was sufficient to put Ms L on notice that to attract interest, she would need to manually enable it.

Additionally, T212’s standard terms and conditions indicated that interest would not be applied automatically. Clause 15 states as follows:

*15.1. If you provide us with your express consent to participate in our Interest Sharing Programme, in addition to Regular Bank Deposits and Term Deposits, we may hold your Available Cash in a QMMF. We will retain any received interest, and we will separately pay you part of it in the currencies and at the rates specified in the Terms & Fees page on our Website.*

*15.2. At any time, you can change your mind and either opt in or out of the Interest Sharing Programme via our Website. If you choose not to participate in the Interest Sharing Programme, we will not hold your Uninvested Money in QMMFs and therefore, no interest will be paid to you as per clause 15.1.*

This clause also ought to have made clear to Ms L that interest was not automatically applied in her Stocks & Shares ISA but that “*express consent*” and a manual “*opt in*” was required.

Further and most importantly, T212’s Help Centre available on its website provides information to clients on the requirement to manually activate interest. In particular, it states under the question “*How do I enable interest*” the following:

*“Login to your account, tap on interest on cash, follow the instructions and tap the Enable button. You’ll need to consent to having your cash held in qualifying money market funds (QMMFs).”*

This clearly shows that Ms L would have needed to “*enable*” interest, that it did not apply automatically, and it revealed how Ms L could go about enabling interest.

Moreover, it appears that Ms L was aware of this requirement as she manually enabled interest on her General Investment Account (“GIA”) with T212 in November 2024 – just months before she set up the Stocks & Shares ISA in May 2025. Ms L has argued that this should be discounted on the basis that she activated the interest on a GIA and not a Stock & Shares ISA. However, the information published by T212 does not in any way suggest the position would be different depending on the type of stock investment account and so I think it ought to have been clear to her that the requirement applied to the Stock & Shares ISA too.

Thus, in my view, Ms L had sufficient information prior to her setting up the Stocks & Shares ISA to have known that interest did not apply automatically and that in order for it to apply manual activation was necessary.

T212 online communications were not misleading

As indicated, Ms L has stated that she believes T212's communications on 8 May 2025 were misleading and effectively led her to believe that interest would be applied automatically.

However, I don't believe that to be correct, particularly in the context of the above-mentioned information that T212 published and sent to Ms L and which she demonstrated awareness of when she enabled interest on her GIA account in November 2024.

On 8 May 2025, Ms L contacted T212 and asked how to transfer her Cash ISA to a Stocks & Shares ISA. T212 explained the process to her. She then asked whether the "*interest would be increased from 4.3% to 4.6% and can I buy shares straight away*". T212 responded "*The interest rate on a Stocks and Shares ISA is indeed 4.6% AER, and yes, you can buy shares as soon as you fund the account.*"

I don't think this is misleading. All T212 is doing here is confirming what the interest rate would be in a Stocks & Shares ISA if this were applied on uninvested cash. I don't think that it can reasonably be said that this indicates anything about the process by which interest would be applied in the Stocks & Shares ISA. Moreover, importantly, there is nothing here that negates the significant amounts of information confirming the manual activation requirement as published in T212's standard terms and conditions and on its website and as emailed to all its customers including Ms L.

#### T212's mobile application was not misleading

As mentioned, Ms L has indicated that the T212 mobile application was misleading because it stated on the initial page a "*daily interest*" figure, which she says she assumed was being applied to her account. However, the daily interest on the initial page was not the place to confirm interest accrual and application. The appropriate place to confirm this would have been the easily navigable "*Interest on cash*" page.

T212 has published guidance confirming that this is the place to check what interest has been earned. In particular, in the Help Centre section of its website in relation to the question "*where can I check the interest I have earned*" it says the following:

"1. Go to your **Menu**.

2. Select  **Interest on cash**

3. Check the total interest you've earned for each currency under **Your earnings**."

It then provides a clear image of what the "*Interest on cash*" display page would look like and whether interest was being earned and how much was being earned would have been quite clear to customers and Ms L.

In addition, as the Investigator has rightly mentioned, Ms L could have confirmed receipt of any interest payments via the "*payments*" section of the application.

Ms L has argued that the "*interest on cash*" page would have been blank on the first day thereby making it an ineffective indicator of whether interest had been activated. Even if that were true (and I note Ms L does not actually say if she did check the "*interest on cash*" page on the first day), it does not explain why Ms L did not check the page (or, indeed, the "*payments*" page) on any other day after that and for over two months before realising interest was not being applied. Ms L had a continuing responsibility to monitor her own accounts to ensure everything was in order and I don't think it would be reasonable to say her responsibility stopped after the first day.

Moreover, again, the application needs to be considered within the context of the written information that was available and/or sent to Ms L (and which she applied in November 2024) prior to her opening the Stocks & Shares ISA, which I have said was sufficient to put her on notice that interest would not be accruing automatically and that she would need to manually activate it.

Thus, whilst I can appreciate how Ms L may have got confused by the “*daily interest*” figure, I think overall both the information T212 published and T212’s application itself ought to have made clear to her that she was not earning interest.

#### Ms L’s point about risks associated with QMMFs

I would like to address here a new point Ms L raised regarding the disclosure of risk associated with QMMFs.

Ms L has said that because there was a risk associated with interest derived via QMMFs this needed to be disclosed during the online exchange with T212 on 8 May 2025 and that the failure to disclose the risk at that point in time amounted to a material non-disclosure. In addition, Ms L claims that material risk meant there was even more imperative that consent be obtained and the manual activation process be disclosed during that exchange. I am not persuaded by these arguments.

Ms L’s claim is for lost interest because she feels she was misled into believing that interest would be applied automatically to the uninvested cash held in her Stocks & Shares ISA. She did not bring a claim about non-disclosure of material risk associated with an investment product. As such, the broader question of whether such disclosure was made is irrelevant to her claim for lost interest. Additionally, I would say such an argument is beyond the scope of what I can fairly consider, as this would constitute an entirely new basis of complaint which Ms L raises only now late into her complaint with this Service and which prior to this had never been put to T212.

Regarding Ms L’s claim that the risks associated with QMMFs meant T212 had to seek consent and set out the manual activation process during the online exchange, I am not persuaded that this conclusion follows. I accept that under the applicable regulations disclosure of the low risks associated with QMMFs and express consent to interest deriving from such investments was mandatory before Ms L effectively entered such investment (by manually activating interest). However, Ms L was not entering the investment during the online exchange with T212. She was simply asking generic questions in relation to a potential transfer to a Stocks & Shares ISA. Indeed, she had not even opened a Stocks & Shares ISA at that point. And so, I don’t agree that any of this meant T212 had to disclose the risk, seek consent and mention the manual activation mechanism during the online exchange.

Although I consider it immaterial and outside the scope of this complaint for the reasons I have mentioned above, for completeness I would nevertheless add that the risks associated with QMMF-linked interest are clearly set out by T212 at the Help Centre section of their website. Moreover, I expect (as is standard practice) that when a customer does seek to manually activate interest, since express consent is required, they are informed of the risks again at that point and expressly asked whether they wish to proceed and accept those risks. And I note that there is no evidence this did not occur in Ms L’s case. Indeed, Ms L has not expressly denied she was informed of the risks later when she provided express consent as part of the manual activations process when she did enable interest in July 2025.

#### Consumer Duty

Ms L has referred to the Consumer Duty too, including the requirement around consumer understanding and avoiding foreseeable harm. I've considered these points, but they don't change my view.

The Duty requires firms to communicate information in a way that is reasonably likely to be understood by consumers. However, as alluded to above, I think the information T212 provided (and which Ms L demonstrated knowledge of) was sufficiently clear as to be reasonably likely to be understood by consumers, including Ms L. Further, the Duty requires firms to avoid foreseeable harm. But the harm Ms L describes – not receiving interest - didn't arise from T212's actions or communications. It arose because she didn't enable the interest feature. Therefore, I don't think T212 caused any foreseeable harm, and the Consumer Duty does not alter the outcome of this complaint.

Thus, in light of my findings that (i) Ms L ought to have known of the manual activation requirement (based on information given by T212 and which she applied), (ii) T212's online communications on 8 May 2025 were not misleading, and (iii) overall the T212 mobile application was not misleading and ought to have made clear to her that interest was not being accrued, I do not think it would be fair and reasonable to uphold Ms L's complaint. I will therefore not be asking T212 to take any further action.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 9 April 2026.

Zaib Malik  
**Ombudsman**