

The complaint

Mr J complains that emails he received from Trading 212 UK Limited ('T212'), prompted him to alter his trading approach which then led to large losses.

Mr J would now like T212 to take responsibility for both his investment pot dropping in value by 90 percent and the lost growth that he missed out on.

What happened

Mr J holds a contracts for difference (CFD) trading account with T212 that he opened in June 2025.

On 21 September 2025, T212 sent Mr J the following email:

"To help you invest responsibly and manage risk, we want to share a couple of practices that our clients find effective.

Pacing your investments: A considered, long-term approach can be more effective than high-frequency trading. Taking time to plan helps avoid emotional decisions and reduces the impact of short-term market volatility.

Investing within your means: It's wise to ensure your trading activity and deposit levels remain proportionate to the income and savings you've told us about. This helps protect you from unexpected financial strain.

We understand that personal circumstances can sometimes make financial decisions more challenging. We have dedicated pages to support your investing journey with Trading 212.

Investing 101 Navigating life's challenges

Contact us if you have any questions."

And on 26 October 2025, they sent him the same message again. Shortly afterwards, Mr J decided to alter his investment strategy from short term, high frequency trading to holding his positions longer. As a result, Mr J then suffered large losses.

Mr J decided to formally complain to T212 after losing some 90% of his monies. In summary, he said that T212 had provided advice to him that had proved to be incorrect which had resulted in large losses that he wanted them to refund. Shortly after making the complaint, T212 placed Mr J's account into a 'close only' status. That meant he wasn't able to open new positions on his CFD account but he could close existing ones.

After reviewing Mr J's complaint, T212 concluded they were satisfied that they'd done nothing wrong. They also said, in summary, that they had acted in accordance with the recently introduced Consumer Duty by taking reasonable steps to identify and prevent

foreseeable harm wherever possible; helping clients stay informed and supported while making their *own* investment decisions.

T212 outlined how they have measures in place to constantly automatically review customer trading accounts where the review takes net deposits, deposit frequency, number of daily trades, and spread and fee cost proportionality to declared financial position into consideration. Stemming from this, T212 explained that the above is part of their proactive monitoring of accounts to identify behaviours that may pose financial risks. One of the things that T212 looks for, which applied to Mr J is, “*unusually high volumes of trades or deposits over a short period, which may indicate atypical financial activity*”. T212 denied that their emails constituted advice on whether Mr J should trade short term or longer term.

Mr J was unhappy with T212’s response, so he referred his complaint to this service. In summary, he said that T212 shouldn’t have sent him the emails because they had unintentionally provided him with advice that long term investments are better than short term trading. Mr J went on to say that had T212 not sent him those messages, his short term high frequency trading could have delivered a very good return. Mr J said that his investment had gone from £40,000 to £4,000 which he attributed fully to T212’s influence.

The complaint was then considered by one of our Investigators. He concluded that T212 hadn’t treated Mr J unfairly because from what he’d seen, he didn’t believe that their emails met the regulator’s threshold of what is considered advice.

Mr J, however, disagreed with our Investigator’s findings. In summary, he said:

- T212’s actions were subtle enough to influence him without them then being held to account.
- They sent him an email that influenced him to change his strategy.
- It wasn’t a generic email and he believes he was targeted specifically.
- He hadn’t received any other emails prior to this giving any information or advice.
- He didn’t get any emails that spoke positively of short term trading strategies to balance things out.
- They sent him the email when he hadn’t asked for any help or advice nor was he making any losses.
- Once he started suffering losses, he stopped getting any emails from them to help and guide him. He said that surely this would have been the time when to send help and guidance if it was being done under the banner of protecting him from losses.
- The action they took to stop new positions being opened whilst continuing to keep existing loss making positions open, again did not fit into the ‘protecting me from losses’ category as they made things worse.
- He believes had it not been for their actions he would not have suffered the losses in the way he did.

Whilst Mr J exchanged multiple other correspondence with our Investigator, I’ve chosen to only set out his main points for brevity, but I want to assure him, that I’ve read the file in full.

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

After carefully considering what both parties had to say, I explained that I was issuing a provisional decision on the complaint as whilst I'm minded to reach the same outcome as our Investigator and not uphold Mr J's complaint, I wanted to add wider reasoning. This window aimed to give both parties the opportunity to consider what I had to say and to provide any comments before I reached a final decision.

What I said in my provisional decision:

I have summarised this complaint in less detail than Mr J 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 discourtesy 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 J and T212 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 minded to not uphold Mr J's complaint - I'll explain why below.

I think it would be a useful starting point to explain the nature of the relationship that Mr J has with T212. Mr J holds an execution-only dealing account, which means that he is not paying T212 for advice, guidance or any ongoing monitoring of his investments. The fee he pays is solely for T212 to act as custodian of his assets and to execute the specific trading instructions he chooses to give them. T212 is authorised by the Financial Conduct Authority ('FCA') only to provide non-advised, execution-only services and their regulatory permissions in this instance do not allow them to act as an investment manager or to make decisions or recommendations on a customer's behalf.

Under this type of service, Mr J is responsible for researching, selecting and funding his own investments, choosing which markets to invest on and deciding when to buy, hold or sell. He is also responsible for keeping himself informed about any corporate actions or events affecting the investments he has chosen.

T212 don't provide advice or assess the suitability or ongoing appropriateness of Mr J's portfolio; that's his responsibility. T212's responsibilities are limited to safeguarding the assets they hold on his behalf, accurately executing the instructions he provides and issuing communications about material events when they have the information and operational ability to do so.

And, having looked at T212's terms and conditions that are freely available on their website, which Mr J would've been provided a copy of and would've had to agree to when he became a customer, it's very clear what the boundaries of the relationship entail. On page 4, it states:

“4.1. We shall provide our Share Dealing Services on an “execution-only” basis, meaning all investment decisions are taken solely by you, and therefore you and you alone determine your investment strategy and choices, are responsible for all Orders, and are responsible for regularly monitoring your Investments. We shall never advise you on your Investments, your transactions, or your share trading decisions. We will not offer you any advice or recommendations regarding our Share Dealing Services, and no information provided by us should be interpreted as such”.

And in addition:

“4.2. You should obtain your own professional advice as to whether the intended Investments are appropriate for you. We may provide you with factual information in relation to our products, their potential risks, or about the financial markets in general, which is not based on an assessment of your individual circumstances.

4.3. Using our Share Dealing Services entails a high level of investment risk. Orders you place for Transactions are at your own risk and expense.”

Bold text is my emphasis.

So, it seems very clear to me that T212 don't provide their customers with any advice and all trading decisions are theirs alone. Were T212 to alter the foundation of that relationship and start offering advice, first of all, Mr J would need to agree to that along with the associated fee and scope of advice that he was being provided with. But in any event, as I've already explained, in this instance, T212 don't have the regulatory permissions to do so anyway.

The regulator, the FCA, who oversee T212, has set out detailed guidance on what they consider to be an advice event and what is merely the provision of information. This can be found in their Perimeter Guidance Manual which is often referred to as PERG. Within “*PERG 8 Annex 1 Examples of what is and is not a personal recommendation and advice*”, the FCA covers in detail, what *generally can* be seen as a personal recommendation and advice. It also sets out what *generally shouldn't* be seen as regulated advice.

As you'd expect, the list is comprehensive in nature and covers a multitude of different scenarios. I think examples F(3) and 23A are the most closely linked to the situation that Mr J has found himself in.

“A firm sends a general communication to its customer base suggesting that they review the products that they hold on a regular basis.

This communication explains the general risks of poor diversification and of underperforming products in a way that is not linked to any particular product.

The communication also explains certain criteria that customers can look out for e.g. how a fund has performed against its benchmark.

It suggests that if customers do have any concerns then they should speak to an adviser.”

The regulator takes the view that this type of communication is not a personal recommendation. They also say:

“Not likely to be regulated advice, as long as this information is presented neutrally.

The information does not identify any particular investment to be bought or sold.

The risk of poor diversification is generic advice about investment strategy and is not linked to particular investments. It does not recommend anyone to buy or sell particular investments.”

Example 23(a) is also similar in nature and it explains:

“The firm reminds the customer that they need to keep their funds under review and points the customer to literature that explains what factors an investor should think about at different stages of their working life leading up to retirement. For example it might say:

- *During the first part of an investor’s working life an investor will generally look for capital growth and as a result invest in higher risk funds.*
- *When moving towards retirement an investor generally looks for capital protection and as a result will generally invest in lower risk funds.”*

Again, the FCA doesn’t consider this to be a personal recommendation and says this will generally not be regulated advice because *“The first reason is that, as long as the information is presented neutrally, the information is factual”*.

Mr J is of the opinion that T212’s messages of 21 September 2025 and 26 October 2025 were explicit recommendations to him; he says that following those emails, he considered that he’d been provided with advice to alter his trading approach. However, I’m not persuaded that those messages met the regulator’s threshold to be considered as an advice event.

T212’s message states that: *“A considered, long-term approach **can** be more effective than high-frequency trading”* (bold is my emphasis). Their email doesn’t state that it *will* be more effective. Whilst Mr J states that he made a lot of money from short term high frequency trading, and I’m not for a moment suggesting that such an approach doesn’t have the potential to yield large returns, the same can be said for investing over the longer term.

In addition, T212’s comment that *“Taking time to plan helps avoid emotional decisions and reduces the impact of short-term market volatility”* is in my opinion not an unreasonable suggestion. I say that because taking time out to plan a trade, including setting clear entry and exit points, assessing the risk of the instrument and considering the potential impact of market movements does help reduce the likelihood of emotionally driven decisions that can arise in fast moving markets. Short term volatility is an inherent feature of CFD trading and without a structured approach, consumers may be more exposed to impulsive actions that amplify losses. So, when T212 have encouraged a pause for reflection and the creation of a plan, what they were doing, in my opinion, was prompting what I consider to be good practice; helping their consumers mitigate the influence of decision making based on emotions.

In addition, T212’s email goes on to say *“It’s wise to ensure your trading activity and deposit levels remain proportionate to the income and savings you’ve told us about. This helps protect you from unexpected financial strain”*. This is simply encouraging customers to not spend more than they can afford to lose.

Importantly, when I consider T212’s email message in full, I can’t reasonably conclude that it meets the threshold of what the regulator considers to be advice. The message sets out sensible best practices to limit the impact and risks of trading CFDs. Despite what Mr J believes, I don’t consider the email to be imbalanced, nor does it favour one investing style

over another. Whilst I appreciate that Mr J may be of the opinion that T212's message was a formal recommendation to alter his trading strategy, I don't consider it was.

The messages T212 sent didn't direct Mr J toward any particular trading decision, nor did they imply that long-term trading was appropriate for him personally. Instead, they set out high-level risk-management principles applicable to *all* CFD customers. On that basis, I don't consider that the communications created foreseeable harm, or that they failed to support Mr J's understanding in a way that would place responsibility for his losses onto T212.

I very much appreciate Mr J's view that the messages felt directed at him personally. However, there is no evidence that T212 tailored the content to his trading activity or financial circumstances. The wording is identical to the general risk-awareness communications T212 sends to their wider customer base. In the absence of any personalised content, transactional references or individualised recommendations, I don't believe the emails were targeted in a way that would change their regulatory classification.

Typically, when a firm provides investment advice, a financial adviser or relationship manager is allocated to the consumer. That adviser then undertakes a review of the consumer's personal and financial circumstances and sets out a formal recommendation to either buy, sell or hold certain investments after agreeing a fee for any services provided. However, this isn't what's happened here.

For completeness, I've also looked at the links that were included within the message that T212 sent to Mr J. The 'Navigating Life's Challenges' page of T212's website contains a range of information signposting various third parties that may be able to help consumers who are struggling with gambling addiction, have mental health concerns, health issues or are having financial troubles. I don't consider any of the information contained within that webpage strays into the provision of providing financial advice what they are doing here is acting responsibly.

In his correspondence with our Investigator, Mr J has commented on what T212's motivation might have been in sending him the emails. He says that it doesn't stack up that they only sent it out a duty of care and to protect him from losses because at the time of sending it, he wasn't making losses and it's because of those two messages that he then altered course with his trading behaviours and started to lose money. And, once his losses started happening, they didn't make any contact. Mr J believes that the message was sent to influence him. But, I don't agree.

As I've already explained, I'm very much of the opinion that the messages were generic in nature, they didn't recommend a particular course of action over another, they weren't personalised to Mr J in any way whatsoever, and they signposted different organisations that might be able to help if he found himself in need of support. And in any event, from what I've seen, T212 benefit more from Mr J trading on a high frequency basis in the fees that they'd earn than they would were he to buy and hold his positions longer term.

In his message to our Investigator of 25 November 2025, Mr J stated that T212 made no effort to protect him from the continuous losses he suffered. However, it's not for T212 to interfere in the trading decisions of their customers nor ensure that his trading decisions only result in a positive outcome. Trading in contracts for difference typically involves high volume, high frequency transactions which inevitably can see customers' monies swing quickly between large gains and losses. It's not for T212 to ensure that their customers trades only result in gains; that's not where they're there to do.

I do recognise that Mr J feels T212's emails influenced his behaviour. However, the FCA's test (which I've set out above) is not whether a consumer *felt* influenced, but whether the

firm made a personal recommendation or provided information that could reasonably be taken as such. The content of the emails doesn't meet that test. A customer choosing to change their trading strategy after reading generic risk-management information doesn't, in itself, create liability for the firm.

Even if I accepted that T212's emails influenced Mr J's thinking, it's unlikely that I would uphold his complaint anyway. The losses that Mr J experienced resulted from market movements on positions that he independently chose to open, hold or close. Under an execution-only model, responsibility for the outcomes of trading decisions rests with the customer. I've seen no evidence that T212 either instructed, encouraged or advised Mr J to take the specific trades that resulted in the losses that he suffered. Those were his decisions alone.

So, I think on balance, based on the messages that T212 sent to Mr J, I can't conclude that they were either misleading or amounted to a personal recommendation. I'm therefore satisfied that the losses sustained were trading losses incurred by Mr J's trading decisions and not caused by something T212 did or didn't do and as such, I'm minded to not uphold Mr J's complaint.

Finally, Mr J has made a number of comments about T212 placing his account in a 'close out' position following his losses. In light of the fact the Mr J claimed T212's actions had resulted in serious financial harm, I can well understand why they acted to limit any further losses by preventing further trading. Such an approach is quite normal in such circumstances, but it still allows the consumer the choice of when to close any final open trades at a time that's appropriate for them. Importantly, firms may intervene to prevent further trading where they believe there is a risk of escalating losses, particularly after a consumer reports financial detriment. From what I've seen, this type of restriction is permitted under T212's terms and doesn't amount to investment advice or portfolio management. The measure limits further exposure while still allowing the consumer to choose when to exit existing positions.

Responses to my provisional decision:

After considering what I had to say in the provisional decision, Mr J said in response:

"The two key issues are

- 1) did T212 have a valid reason to send an email that would influence my decisions and*
- 2) did T212 take the right subsequent action that ultimately affected my outcomes.*

With 1) I believe they sent the email because switching my trading to long term suited T212 operationally and technically. And that it was sent irrespective of the potential damage that it could cause me.

With 2) this refers to them stopping me from opening new positions. This was done after I'd lost over 90% of my accounts funds and T212's action stopped me from reversing my trades whilst allowing my loss making trades to continue. I believe they took this action either out of poor decision making or that they wanted rid of me as a customer because I'd raised the complaint.

There is point mentioned in the Ombudsman reply "It's not for T212 to interfere with their customers trading decisions". My view is that both the actions above did interfere with my trading decisions.

Therefore, if my beliefs and assessments on the above are correct then would you still say T212 did nothing wrong”.

After reviewing the provisional decision, T212 stated that they had nothing further to add.

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.

Mr J states that T212 sent him the emails on 21 September and 26 October 2025 as they'd stand to benefit operationally and technically, but I don't agree. That's because firms typically generate more revenue from consumers who trade more frequently than from those who adopt a long-term buy and hold approach. This is because each transaction (depending upon the nature of the investment being purchased) may attract charges such as commissions, spreads or financing costs, meaning a higher volume of trades result in a proportionately higher income for the firm. By contrast, a consumer who buys an asset and holds it for an extended period may incur minimal ongoing fees. So, it therefore follows, if T212 were purely focused on generating as much income as possible from their customers, it wouldn't be in their interest to dissuade clients from high frequency trading as commercially, those clients who traded on an active basis would yield higher income for them.

I do appreciate that Mr J was disappointed when T212 explained that they were placing his account into a close out only position. Trading in CFDs is extremely high risk and following Mr J's complaint, I do think it was reasonable for T212 to reassess whether allowing him to continue trading was compatible with delivering good outcomes. I think at that point, there was heightened behavioural risk and in these circumstances, a responsible firm would be expected to put the brakes on by intervening, such as pausing trading activity as is what happened here. This is quite common when trading derivatives and aligns with the regulator's expectation that businesses must act on signs of harm, manage any conflicts of interest and support customers in making decisions that are in their own best interests. So, I can't reasonably conclude that T212 did anything wrong when they placed Mr J's account into a close out position.

Having looked afresh at the messages that T212 sent to Mr J, I'm still very much of the opinion that those emails were generic in nature, they didn't recommend a particular course of action over another, they weren't personalised to him in any way whatsoever, and they signposted different organisations that might be able to help customers if they found themselves in need of support. It was Mr J that elected to alter his trading style and it was also his decision alone to invest in the specific instruments that ultimately led to his losses. I've not seen any evidence that T212 offered any guidance, advice or opinions on what investments Mr J should purchase and it follows that I can't therefore hold them accountable for the choices that were made by Mr J in isolation.

My final decision

I'm not upholding Mr J's complaint and it therefore follows that I won't be instructing Trading 212 UK Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or

reject my decision before 18 May 2026.

Simon Fox
Ombudsman