

complaint

Mr D's complains that Plus500UK Ltd allowed him to trade on his account from the USA, and that he was unable to withdraw funds from the account for a period of time.

background

Mr D opened an account with Plus500 in January 2015. He traded the account for a number of months, and has provided evidence to show he was in the USA for some of that time.

After he had held the account for a while, Mr D was asked to provide some evidence of his identity. He was not allowed to make withdrawals from his account until he had provided this evidence.

One of our adjudicators looked at the complaint. He thought that Plus500 could have provided a better service when asking Mr D to prove his identity, but that it had otherwise done nothing wrong. He said:

- Plus500 didn't need to prevent Mr D from trading in the USA as he was a UK resident.
- Plus500 was required by the regulator to carry out anti-money laundering checks and verify Mr D's account.
- Mr D hadn't tried to make any withdrawals over the period in question.
- It was reasonable to let Mr D continue trading on his account whilst it was being verified so he could manage any open positions.
- He thought Plus500 took too long to accept a copy of Mr D's passport.

In relation to the final point, the adjudicator said Plus500 should pay Mr D £100 for the trouble caused. Plus500 agreed to this.

Mr D did not accept this view. He still thought he shouldn't have been allowed to trade from the USA, and that it wasn't fair for Plus500 to accept a deposit but then not let him withdraw money.

my findings

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've come to the same conclusions as the adjudicator and for the same reasons.

It seems Mr D was in the USA for a while whilst he held his account, but Plus500 had no reason to believe he was not eligible to use the account. Mr D presented himself to Plus500 as UK resident, and I've seen no evidence to show Mr D was not a UK resident. He may have gone to the USA for a holiday or work for a period of time, but that does not mean Plus500 should have prevented him from trading. It was entitled to continue offering its services to Mr D.

Plus500 was also entitled to check Mr D's identity to meet its anti-money laundering obligations. But I agree with the adjudicator's finding that it took too long to review and approve the copy passport Mr D provided to it. I also agree with the adjudicator's finding that £100 is fair and reasonable compensation for this, in the circumstances.

Plus500 did prevent Mr D from making withdrawals from his account after it has asked him to provide his identity. But it did not stop Mr D from trading, and I've seen no evidence to show that Mr D tried to make a withdrawal whilst he was not allowed to. So I do not think there is any evidence to show Mr D suffered a loss as a result of this.

Overall, I think the £100 compensation Plus500 has agreed to offer is fair and reasonable.

my final decision

For the reasons given, I uphold the complaint in part. Plus500UK Ltd should pay Mr D £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 February 2016.

John Pattinson
ombudsman