

## **The complaint**

Mr M complains about eToro (UK) Ltd's platform. He said it consistently gave him the wrong prices and didn't react in line with the market. He asked for compensation for his losses.

## **What happened**

One of our investigators looked into Mr M's complaint. He said that Mr M had raised broad concerns about eToro's service, including allegations that it manipulated its prices and cheated its customers. To look into Mr M's concerns, the investigator asked eToro for a random sample of trades in the specific markets Mr M was concerned about, together with the prices from its liquidity providers. In short, he concluded that there was no evidence to substantiate Mr M's concerns. He explained in detail the various risks in trading Contracts for Difference (CFDs) and the terms which highlighted these risks to him.

Mr M didn't agree. He said he supplied ample evidence to justify his complaint and he asked for compensation. He asked for an ombudsman to review 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.

In doing so, I've reached the same conclusions as the investigator and for broadly the same reasons. I'd like to confirm to Mr M that I've read and considered all his detailed submissions and evidence, but I hope he doesn't take it as a discourtesy that I won't be responding to each point he has raised or each piece of evidence he has provided. The purpose of my decision is to focus on the key issues and give my reasons.

And in this case, I don't have much to add to what the investigator has already said.

The evidence Mr M has supplied doesn't show anything untoward or unlawful happening with his account, and the sums he has asked for as compensation don't appear to have any resemblance to the losses he sustained or the trades themselves.

The investigator has already reviewed a number of sample trades to reassure Mr M, and he has concluded that there was no evidence of eToro cheating him or manipulating prices in order to make him lose money. I've also reviewed that evidence and agree with the investigator.

Most of what Mr M complains about appears to me to be typical risks of trading CFDs – prices gapping, changing rapidly or markets being so volatile that trades can't be placed immediately are all typical of this type of high risk trading.

When looking at complaints about the execution of trades, the size of the loss that's been suffered is not usually relevant to whether the complaint should be upheld. As the investigator has done, this service would look at the prices being quoted by the firm,

ensuring they are consistent with how the firm says it would price a particular instrument, and are based on a method of calculating a price that's broadly consistent with the underlying market. However, as the investigator has explained, Mr M was trading on a derived price – he was not taking ownership of any of the securities he was trading. And whilst for the majority of markets prices offered by brokers will be similar, they don't have to be the same.

Furthermore, most consumers lose money trading CFDs – it's what makes this type of trading so high risk. In eToro's case, it says that 74% of its clients lose money – which is broadly in line with other CFD providers. In Mr M's case, I'm not persuaded his consistently loss-making trades are evidence of anything other than the risks of trading CFDs materialising.

With all that being said, in Mr M's case I'm satisfied he has provided insufficient evidence to persuade me that he has been duped or scammed into losing his money, or that eToro has deliberately manipulated the prices of the markets he was trading on in order to ensure he lost money.

I appreciate Mr M feels strongly about his complaint and the losses he has suffered. But I've seen insufficient evidence of any failings by eToro in this particular complaint, or any issues with the execution of the trades Mr M placed. If Mr M doesn't accept this final decision, he'll be free to pursue eToro elsewhere if he wishes.

### **My final decision**

My final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 September 2023.

Alessandro Pulzone  
**Ombudsman**