

## **The complaint**

Mr G complains that IG Markets Limited trading as IG has misled him and charged him fees for trading stocks and shares that were not clearly represented to him. He says they were hidden from him and is seeking a refund of all fees charged.

## **What happened**

Mr G holds an online share trading account with IG.

In 2022, Mr G contacted IG because he'd reviewed his statements, which showed what he described as excessively high charges. He asked IG to see if any errors had been made and if he was entitled to a refund.

IG replied and clarified that the majority of the charges related to foreign currency ('FX') conversion costs of 0.5%, which it said was charged when a share is purchased in a different currency to that of the account. It said it also charged when the trade is closed and the sum is then converted back into pounds sterling. It said it would not be refunding the charges.

After a further exchange of communication, Mr G complained to IG. In summary he said he'd been misled by marketing information, which said that he could trade US stocks fee free if he traded more than three times a month. He said IG were aware of the charges and they could've been avoided by a simple click of a button to change the setting in his account. He said IG didn't make him aware of the charges – they were hidden making them only visible in a hard to locate tab on his online account.

IG didn't uphold Mr G's complaint. It said it hadn't done anything wrong. It explained the nature of the currency conversion fee and the circumstances in which it was charged. It said its fees, including the 0.5% currency conversion fee, were readily available on its website. It said the fee was also available to view on the relevant part of its platform in Mr G's online account. It clarified that Mr G's account was set to instant currency conversion, which meant any trades would automatically be converted to pounds sterling as his default currency. It said it didn't believe it was IG's responsibility to alert Mr G to the fees accumulated on his account because there was no way of knowing that he was unhappy with how they were applied. It clarified the offer of zero commission when dealing in US shares – all commission related fees were excluded for three or more trades in a month – which it said had been correctly applied to Mr G's account. It said evidence of a discussion with its helpdesk in 2017 about FX charges, showed that Mr G was aware of the charge and how it was applied to his account. It also said that a revision to the charge from 0.3% to 0.5% was communicated to him via email in 2019.

Dissatisfied with its response, Mr G referred his complaint to us. One of our Investigators considered things and they concluded IG had done nothing wrong. They said the charges were available for Mr G to view via his online account; he wouldn't have been exempt from currency conversion fees even if he'd had a US dollar account; and the email exchange between Mr G and IG from 2017 meant he ought reasonably to have been aware how FX charges were applied.

Mr G disagreed. He repeated the point about IG's marketing material advertising zero fees for trading US stocks. He said had he known about the fee he wouldn't have traded as he did. He said he could've avoided the fees if he'd held a US dollar account. He also repeated the point about the lack of transparency of the fees because they were located in a separate tab on his online account he wasn't aware of. He disputed that his email exchange with IG from 2017 was relevant because that was about dealing in Australian shares and not US/UK stock trading.

The Investigator wasn't persuaded to change their mind – they maintained IG hadn't done anything wrong. So, because the matter couldn't be resolved informally, the complaint was referred to me for a final 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.

Having done so, while I know this will come as a disappointment to Mr G, I've decided to not uphold this complaint for broadly the same reasons as the Investigator. My reasons are set out below.

- IG says the majority of the fees Mr G is complaining about relate to a currency conversion fee. In this case a 0.5% fee. Firstly, I don't consider this charge to be an unusual fee – I think it's typical for businesses like IG to levy this type of charge in circumstances involving trades such as the ones carried out by Mr G. And secondly, I don't think IG hid this charge from Mr G or that it wasn't transparent about it. I say this because I think the fee is made clear on the website, and importantly the information was available to Mr G via his online account. Mr G says the tab relating to charges on the online account was hidden. But I've not seen evidence to support what he says. Mr G might not have looked at this tab, but based on the evidence he presented about the conversation he had with IG in the run up to his complaint, this was because he missed it, not that it was hidden.
- I also think the available evidence suggests Mr G had prior knowledge of the currency conversion fee and how it was applied. In 2017, so several years prior to him raising his complaint in 2022, he had an email exchange with IG in which it provided him with a worked example of the costs involved in a foreign currency transaction. And this showed the currency conversion fee both in value and percentage terms. I can see Mr G says this is irrelevant to his complaint because that discussion was about Australian shares – his complaint is about US/UK share trading. But I think it is relevant – I think it is persuasive evidence that Mr G was aware, or ought reasonably to have been aware, of both the existence of and application of the conversion fee.
- Furthermore, I can see IG says it sent Mr G an email in 2019 advising him of an increase in the currency conversion fee from 0.3% to 0.5%. A copy of this email shows that this also explained how the fee was applied. I've seen nothing to persuade me this email wasn't sent to Mr G.
- Overall, I'm satisfied IG has not hidden this charge from Mr G or otherwise not been transparent about it.
- IG says Mr G's account setting was set to 'instant' currency conversion. This doesn't appear to be in dispute. Because this meant Mr G's non sterling denominated transactions were automatically converted to his default currency – i.e. pounds

sterling – I think IG also applied the currency conversion fee fairly. I don't think it did anything wrong here.

- Mr G has said that he believes IG should've advised him about the charges and made him aware they were accumulating and offered him a different service option. But I'm satisfied it wasn't fair and reasonable for IG to do so. The service IG provided to Mr G was an execution-only basis service. The terms and conditions set out the provision of the service it provides, which says that IG was under no obligation to: *'satisfy ourselves as to the suitability of any Instrument, Instruction to Deal or Transaction for you'* Or to: *'monitor or advise you on the status of any Instruction to Deal.'* It goes on to say that *'you are required to rely on your own judgement...'* So, I'm satisfied IG did not act unfairly or unreasonably by not alerting Mr G to the charges he was accumulating from the trades he made.
- Mr G has also referred to what he believes is misleading marketing by IG, which he says led him to believe that he would not be charged any fees for his US stock trades. The marketing or offer Mr G refers to says: *'£0. That's the commission you'll pay on US shares when you trade 3+ times a month.'* I can also see this is referred to on the IG website. But it does not say zero fees altogether. It says zero commission or commission-free. A commission fee is something entirely separate from the currency conversion fee. I can see IG's website says a currency conversion fee applies to this offer. So, I don't think IG misled Mr G here. IG says this offer has been correctly applied to Mr G's account, and I've not seen anything which suggests otherwise.

Overall, while I can appreciate Mr G was surprised by the amount of fees charged to his account as a result of the trading he carried out, this is not the result of anything IG did wrong. Ultimately the service IG provides is an execution-only service, so there is no obligation on it to monitor Mr G's account or advise him on the suitability of any transaction he carries out. IG's responsibility here is to provide Mr G with clear, fair and not misleading information, including about its fees and charges to allow him to make an informed decision. And taking everything into account, I don't think it has failed to do that here – I don't think it has acted unfairly or unreasonably.

So, for these reasons, I don't uphold this complaint.

### **My final decision**

For the reasons above, I've decided to not uphold this complaint – so I make no award in Mr G's favour.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 March 2024.

Paul Featherstone

**Ombudsman**