

## **The complaint**

Mr M complained that Trading 212 UK limited (Trading 212) has closed his account. He said there is no plausible justification for this other than to punish him. He said because of this he has suffered financial loss.

## **What happened**

Mr M held an account with Trading 212. He was able to trade using this account up to April 2022. It was at this point that Trading 212 decided to place his account into a close-only mode, where Mr M could reduce and close open positions, but couldn't open any new positions.

Trading 212 then issued Mr M with a 30-day closure notice in April 2022. There was a short delay and then after the closure notice had lapsed, Mr M's account was closed.

Mr M said Trading 212 closed his account too punish him for making a complaint to our service and to teach him a lesson. He said it is an abuse of power for it to do this. He said his mental health has deteriorated and as a such, this is part of the reason why he lost his job. He said he is severely suffering financially, all because Trading 212 felt it could do whatever it wanted with no consequences. He complained to Trading 212 about all of this. Trading 212 responded to Mr M and said he had expressed in a previous complaint that he had mental health struggles. So, it acted on this information and decided to place the account on close only mode. It said it then decided it would be detrimental for Mr M to continue as a client and so issued a closure notice. It said it did this based on what Mr M had said. It said as a responsible broker it had to consider Mr M's best interests as part of its regulatory obligations.

Mr M was not happy with Trading 212's response and complained to our service. An investigator looked into his concerns and did not uphold Mr M's complaint. He said based on the terms and conditions associated with the account, that Mr M had agreed upon, Trading 212 had a right to do what it did.

Mr M did not agree with the investigator's view and said his decision was not fair nor reasonable. Mr M said he failed to investigate the reasons leading up to Trading 212 closing his account or that its decision to do so punished him for making a complaint.

As Mr M is not in agreement with the investigator, his complaint has been passed to me, an ombudsman, to make a 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.

I have not upheld Mr M's complaint. Here are the reasons why:

- Mr M had previously in a separate complaint made to our service expressed that he was suffering with mental health issues. Although he had not told Trading 212 directly about this, it is information that it had become aware of.
- Trading 212 says as a responsible broker it had to consider Mr M's best interests once it was aware of his ongoing mental health issues and to do this was part of its regulatory obligations. I agree with what it has said here. Trading 212 did need to consider what Mr M had said, once it was made aware and consider his best interests. It needed to treat Mr M fairly.
- Trading 212 said it considered Mr M's comments about his health and then decided to place his account into a close only mode. It then decided it would be detrimental for him to carry on as a client using their services.
- Trading 212 has referenced the terms and conditions for Mr M's account and in particular term 28 that describes what its responsibilities are in terminating a client agreement. I can see that it says, "we reserve the right to immediately place a sell only limitation in the following cases: We have reasonable grounds to believe that allowing you to continue trading will be detrimental to us, you as a client, other clients of us and / or financial markets".
- I have reviewed Mr M's comments that he made in a previous complaint about his mental health, and comments he has made in this complaint also. It is clear from what Mr M has said that he has had a difficult time and I am sorry to hear this.
- Mr M told our service that he was struggling with mental health issues. Trading 212 then took the action that I have already outlined and has explained the reasons why it did. I can see it has clearly communicated the reasons why with Mr M also. After reading Trading 212's explanation and the terms associated with the account, along with considering the relevant regulations, I can't see that Trading 212 has acted unfairly here.
- Mr M says Trading 212 closed his account to punish him for making a complaint about it, but I can find no evidence that it set out to do this. Instead, it has explained that it made its decision as it felt keeping its services available to Mr M would be detrimental to him. It is within its rights as a business to take the action that it did.
- Trading 212 has said sorry for delaying the closure of Mr M's account. It said this has not disadvantaged Mr M though and his losses were decreased by the delay. Mr M has not complained about this short delay. I can also see that the delay has not caused Mr M any detriment either, so I don't feel I need to make any comment about this.

In summary, I don't think Trading 212 has done anything wrong when it acted to close Mr M's account. So, it follows that I do not uphold his complaint.

### **My final decision**

I do not 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 4 August 2023.

Mark Richardson  
**Ombudsman**