

The complaint

Miss T complains that Plus500UK Ltd did not allow her to withdraw her profits when she wanted to. She also complains that Plus500UK Ltd manipulated its spreads and its prices, in such a way as to prevent her from making the sorts of profits she had been originally. She complains that Plus500UK Ltd persuaded her to invest more money, and 'scammed' her by calling her daily.

What happened

One of our investigators looked into Miss T's complaint, but didn't think it should be upheld. He noted that Miss T was required to provide an acceptable form of verification in order to withdraw her funds, and she didn't do this. He found no evidence that Plus500 had manipulated its spread and explained how her account worked. He also didn't find any evidence that Miss T was scammed or persuaded to invest more money than she wanted.

Miss T didn't agree with the investigator. She said that the investigator hadn't taken into account that her ID had already been approved via Experian, and Plus500 'took advantage' and 'used the passport verification as leverage' to stop her withdrawing her funds. She said that she didn't care about the account terms and conditions because they weren't fit for purpose. And she said that they were a 'market maker' and they manipulated prices and trades. She said that this was the first time this had happened to her and other 'brokers I have used do not apply the same practices and don't even require proof of ID'.

As agreement couldn't be reached the case was passed to me to decide.

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, I'm sorry to disappoint Miss T but I don't have much to add to what the investigator has already told her.

I should start by saying that it's not possible for me to determine the issues that Miss T has raised about 'manipulated spreads or prices'. My role isn't to audit her entire account, it's to look at her complaint and decide whether she's been treated fairly and reasonably by the business. Miss T hasn't raised specific trades she's unhappy with in her complaint, nor pointed to specific failings that I can evaluate in order to determine if Plus500 actually did something wrong.

I'm therefore not able to consider this element of her complaint – save to say that I've seen no evidence, on file, that there was any manipulation in the spreads or the prices of the trades she was placing. I say this because from the little information I do have, the explanations she was given via live chat are consistent with how limit orders or buy orders work. From those chats, it seems to me that the majority of Miss T's dissatisfaction is to do with the way the markets were moving, and not something Plus500 did or didn't do.

I've also seen no evidence that Miss T was persuaded to add more funds than she wanted, or scammed by the business in any way. It's clear that she is dissatisfied with the service Plus500 provided to her, and for that reason I understand its reasons for terminating her account. But I'm not persuaded it has treated her unfairly or cajoled her into investing more money trading than she wanted – in fact her initial correspondence when she was being verified suggested that she 'couldn't wait' the few weeks it would've taken to receive her driving licence back with the correct address. This suggests Miss T was keen on trading, and this is something she was very much doing of her own volition.

In relation to the withdrawal of her funds, I'm not persuaded this has caused her a loss. She was clearly told on 28 February 2022 that her account had been verified and she could begin trading if she wanted – but that 'in order to be able to withdraw your funds, you will need to provide us with a copy of your renewed passport/Driving License as soon as you have it'. So Miss T already knew from the start that she'd need to provide further evidence. The fact that other brokers may or may not require the same evidence is not relevant. If she was unhappy with this additional requirement, she knew before she deposited or had begun trading – she could've simply closed her account and chosen another broker who, as she says, had less stringent verification measures.

The fact that she did deposit and start trading indicates that she accepted, prior to withdrawing, she'd need to provide this additional evidence. So it should've come as no surprise that, when she asked to withdraw her funds, she was told this evidence was required. I'm not persuaded any of this was unreasonable. Furthermore, even if I thought Plus500 should've allowed her to withdraw her money, it's clear that I wouldn't ask it to refund her trading loss – Miss T didn't have to continue trading, that's something she chose to do and unfortunately meant that the profits she says she built up were eroded by losses. I'm not persuaded this is something Plus500 ought to take responsibility for.

From the evidence I've seen I'm satisfied Plus500 acted fairly and reasonably in Miss T's case and need not do anything to put matters right.

My final decision

For the reasons I've given, I don't uphold Miss T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 4 January 2024.

Alessandro Pulzone
Ombudsman