

The complaint

Mr W is unhappy that eToro (UK) Ltd suspended his account and then closed it without his agreement. He'd like his account reinstated.

What happened

Mr W had a trading account with eToro. On 22 December 2021, eToro wrote to Mr W to explain that, having reviewed a number of complaints he had raised with his account manager, it understood that its platform did not meet his expectations. It apologised for any confusion and frustration these issues had caused him, and said that whilst it wanted to address his needs, it had decided that the best course of action was to terminate the relationship and close the account.

It told Mr W that it had applied a limitation to the account so that he could no longer open new positions or deposit new funds. And it told him that all open positions needed to be closed by 22 March 2022. Mr W didn't agree and complained. He received a final response from eToro which explained the decision again and confirmed it, so he referred his complaint to this service.

One of our investigators looked into Mr W's complaint, but also didn't think eToro had done anything wrong. In summary, she explained that eToro was entitled under the terms and conditions of the account to close it. She explained that we'd expect a firm to do so fairly by giving him sufficient notice to close his positions and mitigate any losses – and she considered the time period eToro gave him did that. She also thought that, whilst eToro didn't have to, it gave a motivation for closing the account which she found reasonable.

Mr W didn't agree and asked for an ombudsman to decide 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 also don't have much to add to what the investigator has already said.

In signing up and using eToro's services, Mr W was bound by the terms and conditions of the account. These gave eToro the right and the discretion to terminate the account, for any reason with or without notice. And I should make it clear that it's not for this service to tell a firm who it should do business with.

As the investigator has explained, in circumstances such as these we would always expect a business to treat a customer fairly. This usually involves giving enough time for a customer to mitigate any losses or close any open positions, taking into account the size of any trades, the number of open trades and the size of any unrealised losses. There's no specific time frame set by the regulator for this, and where the terms are silent on how long the notice period should be, it'll be for the business to decide how much notice to give taking all the

above into account.

The terms don't specify that eToro needed to give Mr W a reason to close his account – but it chose to do this. Where it gives a reason, my role isn't necessarily to question the motivation it has given, but I've taken it into account when deciding what's fair and reasonable in all the circumstances.

In Mr W's case, it's clear to me that he was profoundly dissatisfied with the service he was receiving from eToro. The investigator has set out the number of complaint tickets he had raised – over 60 in around 18 months. That is an exceptional level of dissatisfaction. As the investigator has pointed out, this complaint is about the termination of the account, and as such, I've not reviewed the merits of those individual complaints. But in my view, whether or not each complaint has merit is not relevant here. I agree with eToro that this volume of complaints demonstrates that it was not able to provide a service which met Mr W's expectations. So the reason it gave Mr W for closing his account is a fair one in my view.

And it gave Mr W ample notice of this decision – because it allowed him three months to take any action he needed, in addition to some financial compensation. In my view three months was enough time for Mr W to take the action he needed to mitigate any losses and, where he didn't want to close a trade, it gave him enough time to find another broker and open an account in order to replicate that trade elsewhere.

Taking all this into account, I'm satisfied that in deciding to close Mr W's account, eToro treated him fairly.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 December 2023.

Alessandro Pulzone
Ombudsman