

The complaint

Mr B complains about the monthly fee charged by IG Markets Limited (“IG”) for use of its advanced charts package. He says the basis of the fee is unclear and that the nature of the auto-trading system which he uses makes it more likely that he will incur the charge.

He wants IG to:

- Clarify the criteria of the fee for all clients.
- Only apply the fee after the month in question.
- Update clients’ daily statements to show the liability to the charge.
- Refund the £30 fee he was charged on 31 May 2023.
- Provide clear definitions and criteria for professional clients using the auto-trading system.

What happened

Mr B opened a foreign exchange spread betting account with IG in 2009. He is an elected professional client.

He signed up to use IG’s ‘ProRealTime’ (“PRT”) feature. PRT is described on IG’s website as, *“online charting software for technical analysis and trading, which is integrated with the IG trading platform. If you’re an experienced trader who uses advanced technical analysis and wants to automate your dealing, ProRealTime gives you a fully customisable interface and trading experience.”*

IG charges a monthly fee for the use of PRT, but this is waived or refunded if four or more trades have been placed in the month, provided the trades aren’t of low value.

Mr B was charged £30 on 31 May 2023. He said he’d never incurred this charge before.

Mr B complained that:

1. The charge isn’t transparent. IG says a rebate system is used, but in reality it’s a low-use penalty system. He received different information about the fee each time he asked about it.
2. IG doesn’t provide any information on the client’s status relative to the trigger level for the penalty charge. And the fee is charged on the last day of the month, rather than after the month has ended, so preventing him from trading in the final few hours of the day to avoid the charge.
3. He uses automatic trading systems and uses the default of “match all conditions” as the basis of his trades. This means orders are less likely to trigger, so there should be a separate low-usage penalty system specific for automatic trading. In any event, over the years, he has probably placed around 7,000 trades which should more than make up for the low usage penalty.

IG didn't uphold Mr B's complaint. It said that, when Mr B enabled PRT, he agreed to the £30 monthly fee and that information about the fee is transparent. It said that, unless Mr B disabled PRT, he would continue to be liable for the £30 monthly fee. But, as a gesture of goodwill, and a reflection of Mr B's loyalty, it offered to refund the May fee.

Our investigator didn't recommend that the complaint should be upheld. She said the fee was for the provision of the PRT service and that it was reasonably clear that the fee wouldn't be charged, or would be refunded, in months where a client had traded less than four times, or if the trades were of extremely low value. And that whilst Mr B had complained about the vagueness of what an "extremely low value" trade would be, that didn't seem to be relevant in his circumstances as it was the number of trades, rather than the value, that had triggered his charge. She said the fee had been charged periodically since at least 2015.

Mr B didn't agree. He responded to say, in summary, that:

- He's only ever been charged twice. Once in 2021 when IG agreed to reverse the fee. And in May 2023. He disputes that the fee has been applied as far back as 2015. But the likelihood of him being charged has increased since he started using the auto-trading system – because the PRT charging system is incompatible with auto-trading.
- This is a low-usage or low-activity fee. But the criteria for the fee is unclear and unknown.

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.

Firstly, I'm aware that I've summarised this complaint in far less detail than the parties and in my own words. Mr B has set out his complaint in some detail and provided a considerable amount of information and argument. But I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Secondly, Mr B has raised some general points about how IG's fees may impact all its clients and why IG should change its procedures. I don't have the power to tell a business how it should treat all customers or how it develops its internal policies, including its fees and charges. That's a matter for the regulator, the Financial Conduct Authority (FCA). My role is to resolve individual disputes between businesses and consumers. So I need to decide if IG did anything wrong when it charged Mr B £30 in May 2023.

Having considered everything carefully, I find I have come to the same conclusion as the investigator for the following reasons:

The PRT feature is an optional feature of IG's spread-betting trading service. IG charges a monthly fee of £30 for the use of the PRT feature.

I'm satisfied that Mr B agreed to the £30 monthly charge when he enabled the PRT feature.

IG provided information about the fee when Mr B enabled the service. And the fee is also set out in IG's "Costs and Charges" document under "extra services and charges", which forms part of the overall terms and conditions of the service. This says:

“You’ll pay £30.00 a month to subscribe to advanced charts from popular third-party provider ProRealTime. You’ll get a refund if you place four or more trades a month. You may still have to pay if your qualifying trades are extremely low in value.”

I don’t agree with Mr B that this is a low-usage fee, it is a fee for the PRT feature. I find it’s reasonably clear that IG will charge Mr B £30 each month for his use of the PRT service. But IG will waive or refund the fee in months where he has placed enough trades to cover the cost of providing the service. It’s fair that IG determines the number and value of the trades and, in the circumstances, I don’t find there’s any obligation on IG to define “extremely low value”.

Mr B says he hasn’t been charged the fee before – except in 2021 when it was waived. So it would seem that he generally trades enough for the fee not to be charged.

Mr B did receive slightly different information about the fee on the occasions he spoke to IG’s helpdesk. But I remain satisfied that he was correctly charged and that the terms about the fee are clear.

He is concerned that he is more likely to be subject to the charge in future because he is using the auto-trading system. But I don’t find there’s any obligation on IG to adjust the fee for Mr B’s circumstances or for the systems he’s chosen to use.

I understand Mr B would find it helpful if IG provided an ongoing “tally” of how much more trading he needs to complete on a monthly basis to avoid the charge. But I don’t find IG is obliged to provide this for him, and I don’t think it’s unreasonable for Mr B to keep his own record of trading each month.

In its final response letter, IG offered to refund the May 2023 fee as a gesture of goodwill. I find this a fair and reasonable offer in the circumstances, should Mr B still wish to accept it.

My final decision

My final decision is that IG Markets Limited should refund the £30 fee charged in May 2023, if it hasn’t done so already.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 12 August 2024.

Elizabeth Dawes
Ombudsman