

The complaint

Mr A complains that, following the closure of his spread betting account, IG Markets Limited didn't allow him to withdraw the cash balance. He says it took around three months before he received the money, even though he was in regular contact with IG Markets, and it knew he wanted the money urgently. He says he needed the money to deposit with another trading platform to prevent losses, and he missed out on another investment opportunity. He wants IG Markets to pay him £50,000 compensation.

What happened

IG Markets wrote to Mr A on 28 October 2022 to tell him it would be closing his account. It said it would give him time to close any open positions but, as there weren't any, it closed his account on 3 November 2022. This meant Mr A lost his ability to log into his account.

The account held cash of £2,177.51. Mr A asked for this to be transferred to his bank account or to his PayPal account. He says that, during a phone call on 27 January 2023, the restriction to his online access was lifted and he was able to withdraw the money.

IG Markets said it couldn't make a withdrawal through PayPal, so it granted Mr A temporary access to his account on 13 January. It said it should have resolved this more quickly than it did. It apologised and offered Mr A £50 as a gesture of goodwill.

Our investigator couldn't be certain what Mr A would have done with the money had he received it earlier than he did, so didn't recommend any compensation for lost investment opportunities. But he thought IG Markets should've resolved things more quickly, especially as Mr A told it he needed the money urgently. The investigator didn't think IG Markets' offer of £50 was enough, and recommended it pay Mr A £150.

IG Markets agreed with our investigator's recommendation.

Mr A didn't agree. He provided evidence of a position he held with a third party which was closed on 6 January 2023 resulting in a loss of US\$10,368.96. He said this wouldn't have been closed if he'd been able to withdraw his money from IG Markets and deposit it in his trading account with the third party. And he repeated that he also missed the opportunity to invest in an opening of a new business.

The investigator didn't think Mr A had provided enough evidence to show exactly what he would have done had he had access to the money in his IG Markets' account at an earlier date. His view remained that IG Markets should pay Mr A £150.

As Mr A didn't agree, his complaint was passed to me.

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.

The reasons for the closure of the account have been considered as a separate complaint

and I can't comment further on that here. This complaint is about whether IG Markets did anything wrong *after* it had closed the account, and specifically whether it should have allowed Mr A to withdraw the cash balance earlier than it did.

IG Markets emailed Mr A on 28 October 2022 to tell him it would be closing his account. Mr A lost online access to his account four working days later, on 3 November. Whilst he could've withdrawn the cash balance during this period, it didn't give him very long – especially as the closure of the account wasn't his decision. And IG Markets knew when it withdrew his account access that there was a cash balance but didn't tell Mr A how he could withdraw it. I find it should've communicated better with Mr A so he knew exactly what he needed to do to access his money, particularly bearing in mind Mr A had told IG Markets about his poor mental health.

On 5 January, IG Markets told Mr A to initiate the cash withdrawal but must've reasonably known he didn't have online access to his account. Mr A emailed again on 6 January but didn't receive a reply and he sent a further email on 12 January. I find IG Markets provided poor service during this period – it should have been more responsive to Mr A's emails.

I'm satisfied from the email sent on 13 January that IG Markets had lifted the restriction to allow Mr A to withdraw his money. It's not clear why Mr A says the restriction was only lifted on 27 January. But, as our investigator said, either way the delay in Mr A being able to withdraw his money was too long.

I've considered what position Mr A would be in now if he'd been able to withdraw the money within a reasonable timescale.

Firstly he told us he needed the money to prevent a position being closed. He emailed IG Markets early on 6 January 2023 to say, "*I need the money today as a matter of urgency*". And he's provided us with a screenshot which shows a position was closed on 6 January at 1.21pm. I accept it's *possible* Mr A may have deposited the money in his other trading account if he'd received it earlier than he did. But I'm not persuaded that the failure of IG Markets to allow him to withdraw his money directly led to a loss for which he should be compensated. I say that because it's far from clear what is most likely to have happened if he'd deposited the money – if the position had remained open there's no evidence of how long Mr A would've continued to hold it and what eventual profit or loss he would have made.

I also accept there's a possibility Mr A may have invested the cash balance if he'd received it sooner than he did. But Mr A hasn't provided evidence to persuade me that he had specific investment plans for the cash, so I can't conclude that he lost out on profits because of the delay in receiving his money from IG Markets.

The delay in receiving his money, and the poor service provided by IG Markets, undoubtedly caused Mr A distress and inconvenience for which he should be compensated. I agree with our investigator that £150 is fair and reasonable in the circumstances. To be clear, this is the total amount that should be paid – if IG Markets has already paid Mr A the £50 it offered, it will only need to pay him an additional £100.

My final decision

My decision is that IG Markets Limited should pay Mr A £150 in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 May 2024.

Elizabeth Dawes
Ombudsman