

The complaint

Mr R complains that IG Markets Limited presented pricing information for its options products in an unclear, misleading manner, which led him to purchase the wrong product.

What happened

In January 2021 Mr R made two purchases of Tesla 600 PUT options through his IG account. He subsequently became concerned that he may have purchased the wrong product, as he'd understood the denomination to be in dollars rather than, as was actually the case, in cents. He queried the denomination with IG soon after placing the orders and was told – incorrectly – that the product was denominated in dollars.

He pursued the matter with IG and made a complaint, but it was some considerable time before it was dealt with. IG eventually issued a final response to him, but it didn't uphold the complaint. In short, it felt the product and its pricing had been presented clearly. But it did acknowledge that Mr R had been misinformed about the denomination after he'd placed the orders (although it stressed that this misinformation couldn't therefore have influenced his decision to place the orders). It also acknowledged the delays in dealing with the matter and offered Mr R an apology and £100 in recognition of these failings.

Mr R didn't accept this and referred his complaint to this service. But our investigator reached the same conclusion as IG, and for broadly the same reasons.

Mr R responded to say that he felt the investigator had misunderstood the complaint, particularly in respect of the information that had been provided to him after the orders were placed. Mr R said that his concern with that misinformation was not that it had influenced his decision to place the orders, but rather that it showed that IG staff also didn't understand the presentation of the pricing. And that supported his argument that it was confusing and misleading.

As the matter has remained in dispute, it's been referred to me to review.

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.

As noted, Mr R's complaint focuses on how the pricing information for the product he wanted to purchase was presented by IG in January 2021. He says it was misleading as it wasn't clear that the product was denominated in cents rather than dollars.

As it's now more than three years since the orders were placed, I'm unable to see precisely what Mr R would've seen. Since then, Tesla's pricing has been subject to significant changes, in part as a result of a stock split in 2022, IG's options offerings have changed and it's likely that its app and how prices are presented on it will also have changed to some degree, even if only from a design standpoint.

But what Mr R purchased was a viable product offered by IG at the time. I note his comments about why anyone would want to purchase an option with a 600-cent strike price, given Tesla's share price at the time was around \$800. But this was a longer-term product, which although it may not have traded at a high volume would potentially have appealed to some traders, particularly given its low cost.

I've seen examples of how IG presented its options chains around the time in question and there doesn't appear to be anything particularly unusual with them compared with other brokers. And the examples from nearer the time do support that the options were, as they still are, denominated in cents and not dollars.

In respect of the information Mr R was given *after* he purchased the options, I take his point that the mistake supports his contention that the IG's pricing information was misleading, as IG's member of staff clearly also didn't understand the denomination.

But we don't know what led the member of staff to make the mistake. While a direct question relating to options was asked, the response was simply that "they are quoted in USD". But this was via the on-line chat service. It wasn't a two-way discussion that considered in detail the information Mr R was querying. Mr R's message may have been misread by the staff member, or there could have been many other reasons for the mistake. So, while, as I say, I understand the point and recognise the mistake certainly exacerbated the situation, I don't think it's enough to persuade me that the information IG provided *before* the orders were placed was generally misleading.

While I recognise Mr R will be disappointed, I don't think there's sufficient evidence to support a finding that IG presented the product in question and its related pricing in a confusing or misleading way. For completeness, I consider the offer made by IG in respect of the other issues to be fair and reasonable in the circumstances.

My final decision

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 29 March 2024.

James Harris
Ombudsman