Before the Arbiter for Financial Services

Case ASF 231/2026

BE

('Complainant')

Vs

eToro Money Malta Ltd

(C 97952)

('Service Provider' or 'eToro')

Sitting of 12 November 2026

Complaint

Having seen the **Complaint**[1] regarding eToro's poor service where she stated:

> ***"I am an EU long-term legal resident (LTR) living permanently in Slovenia (Eurozone) and an eToro client since 2020. eToro has denied me access to core eToro Money services (EUR account/IBAN, genuine EUR functionality including USD↔EUR conversion within eToro Money, EUR deposits/withdrawals on standard terms, and the eToro Money debit card) solely due to my Russian citizenship, irrespective of my EU residence. eToro claims this is mandated by "mandatory regulatory, licensing and sanctions-related requirements" but does not identify any specific public EU and/or Maltese legal/regulatory basis that clearly requires a blanket citizenship-based denial.***
>
> ***In addition, eToro's position on my eToro Wallet has been inconsistent. In its final response (dated 06/02/2026) to the formal complaint, eToro stated that although the wallet "remains restricted as of today", this "does not reflect our intended position" and that steps were being taken to resolve it. However, on 05/03/2026 eToro stated that wallet access***

[1] Pages (p.) 1 – 5 and attachments p. 6 - 70

"cannot be reinstated" due to regulatory/sanctions-related requirements. This reversal was communicated without specifying which eToro entity is responsible, which licence/regulatory framework applies, or what specific public legal basis allegedly mandates this outcome.

Following OAFS instructions, I submitted the same complaint to eToro Money Malta Ltd via regulatorymt@etoro.com on 19/04/2026; no acknowledgement or final reply has been received as of 15/05/2026 (over 15 working days).[2]"

…

"1. Lack of transparency/legal clarity: eToro applies a blanket citizenship-based denial of eToro Money while failing to identify a clear public EU/Maltese legal or regulatory basis requiring such a restriction for customers who hold Russian citizenship, legally and permanently reside in the EU, and are not individually designated.

2. Contradictory and confusing communications: I received inconsistent guidance (including from my account manager and Support) and blurred terminology between "eToro Wallet" and "eToro Money", materially increasing confusion and delay.

3. Poor case management/procedural deficiencies: prolonged inactivity and repeated "Awaiting your reply" status changes without any new request for action (and at times without any corresponding message being visible in the case thread), plus earlier failure of the official online complaint form and no acknowledgement of emailed complaints.

4. Reversal on Wallet: eToro's final response (06/02/2026) stated the wallet restriction was unintended and being addressed; a later communication (05/03/2026) stated the opposite - wallet access cannot be reinstated. eToro also does not clearly specify which "relevant eToro entity" and which public obligation is relied upon.

5. Ongoing financial detriment from lack of genuine EUR functionality: The restriction is ongoing and prevents me from using eToro Money on the same practical EUR terms available to other EU/Eurozone residents (EUR account/IBAN and EUR deposits/withdrawals on standard eToro Money EUR terms, eToro Money debit card). Given my overall account

[2] P. 2

> ***balance of approximately USD 80000+, the impact is material and ongoing. Illustration (currency-risk magnitude): Over the past ~6 months (since Nov 2025, when I first became aware of the issue) the ECB EUR/USD reference rate moved by ~3.3%; on USD 80000 this corresponds to an approximate EUR-equivalent swing of ~EUR 2200 purely due to FX movements, which I cannot practically hedge or manage via a normal EUR eToro Money balance.***[3]***"***

By way of remedy, she requested *inter alia*:

> ***"4) Award fair redress for distress/time/procedural failures and the documented ongoing FX detriment caused by the lack of genuine EUR functionality on standard eToro Money terms. The USD 50 goodwill offer was declined as conditional on closing the complaint as "resolved to my satisfaction***[4]***".***

In the original complaint, there were other remedies sought but in the process of handling this complaint the parties exchanged clarifications which satisfied the other remedies requested so that, in the end, the residual issue remains the quantum of compensation demanded/offered.

Decrees

The Arbiter issued a decree on 31 August 2026 requesting the parties to restate their position on the remedy sought/offered given clarifications that had been procured in the process[5].

A further decree was issued on 30 September 2026 requesting the parties to make final submissions once the parties had established their redefined remedy demanded/offered in their replies to the earlier decree[6].

Remedy sought by Complainant for the complaint as redefined

Complainant requested:

> ***"1. a finding that the communication and complaint-handling conduct of eToro Money Malta Ltd was deficient, including the materially changing explanations concerning the eToro Money decision and the handling of***

[3] *ibid*
[4] *ibid*.
[5] P. 90
[6] P. 98

the formal complaint which OAFS instructed me to submit directly to eToro Money Malta Ltd on 19 April 2026;

2. compensation of EUR 2,000 for the significant stress, inconvenience, uncertainty and substantial personal effort resulting from the prolonged and materially deficient communication and complaint-handling of the matter, or such other amount as the Arbiter considers fair, equitable and reasonable in the circumstances.[7]"

...

"The Service Provider has itself referred to the identified matters as 'case-handling failures' and, in its revised submission of 11 August 2026, indicated that a revised compensation/goodwill position was to be confirmed and that the previous USD 50 offer should not simply be repeated without acknowledging the additional matters corrected in that submission.

In these circumstances, I respectfully consider EUR 2,000 to represent a reasonable amount of compensation for the cumulative stress, inconvenience, uncertainty and substantial personal effort caused by the conduct complained of."[8]

...

"The remedy sought is therefore directed to the communication and complaint-handling conduct falling within the complaint as re-defined in my Response of 28 August 2026, and the resulting stress, inconvenience, uncertainty and substantial personal effort.[9]***"***

Remedy offered by eToro

eToro made a revised offer of €500.

They stated:

"1. Preliminary Observations on the scope of the remedy sought.

The Service Provider notes, and welcomes, the Complainant's clarification that she does not seek an order requiring the Service Provider to open an account, issue a card, or provide any other financial

[7] P. 92
[8] P. 93
[9] *Ibid.*

service to her; that she does not seek compensation for foreign-exchange or securities-market movements; and that she does not ask the Arbiter to determine the correctness of any AML/CFT or EDD assessment.

On this basis, the Service Provider understands the complaint, as re-defined, to be confined to the[10] manner in which the Complainant's queries and formal complaint were handled and communicated, and to the quantum of compensation, if any, appropriate to that conduct alone — and not to extend to the underlying commercial decision not to open an eToro Money account for the Complainant, which decision is not before the Arbiter for determination in this complaint as re-defined. The Service Provider's Reply proceeds on that basis.

2. As to the finding sought (paragraph 1 of the Complainant's Response)

The Service Provider does not dispute that its handling of the Complainant's queries fell short of the standard it aims to provide. This was acknowledged in the Service Provider's supplementary and corrective submission of 11 August 2026, which identified and corrected a number of inaccuracies in its earlier correspondence. While the Complainant did not receive an email response to the complaint submitted on 19 April 2026, the Service Provider clarifies that that email address is strictly reserved for regulatory matters rather than client complaint intake; nonetheless, it acknowledges deficiencies in providing inconsistent explanations across different points in time and failing to clearly distinguish between the eToro Money account and the eToro Wallet in earlier correspondence. The Service Provider does not seek to withdraw or qualify those acknowledgements in this Reply.

3. As to the compensation sought (paragraph 2 of the Complainant's Response)

The Service Provider respectfully submits that the sum of EUR 2,000 sought is disproportionate to the conduct properly before the Arbiter, for the following reasons.

3.1 Absence of a stated methodology

The Complainant herself states that the sum sought "is not based on an hourly valuation of my time," and does not otherwise set out a basis of

[10] P. 95 - 96

calculation by reference to which the figure of EUR 2,000, as opposed to some other figure, is said to be appropriate. The Service Provider respectfully submits that a claim for non-pecuniary compensation of this order should be capable of being tested against some stated methodology or comparator, which the Complainant's Response does not provide.

3.2 The Arbiter's own approach to unsubstantiated distress claims

In Case ASF 151/2025 (KJ v. Cowen Insurance Company Limited), the Arbiter declined to uphold a claim for emotional distress, lost experience, correspondence time and stress advanced alongside an otherwise-settled claim, on the basis that "no evidence was presented to support the happening and the changing quantification of the expected compensation of extra work and emotional stress." The Arbiter there observed that "any insurance claim unavoidably involves the claimant in additional work and emotional stress until the claim is settled," without that, of itself, giving rise to a compensable claim absent supporting evidence of the extent of the impact and of the reasonableness of the amount claimed.

The Service Provider acknowledges that the present case differs from ASF 151/2025 in an important respect: the Complainant's account of the case-handling conduct is corroborated by documented correspondence, rather than resting on assertion alone, and the Service Provider does not suggest otherwise. The Service Provider submits, however, that the same principle applies to the quantum of any resulting compensation: the fact of a deficiency being documented does not, without more, establish that EUR 2,000 (as opposed to a lesser sum) is the fair and proportionate response to it, and the Complainant's Response does not bridge that gap.

3.3 The scope of the claim must be held to what the Complainant herself has defined

The Complainant's Response refers to "uncertainty over the conversion and withdrawal into EUR of substantial personal funds while I was winding down long-held investments" as part of the context in which the case-handling conduct is said to have caused stress. The Service Provider respectfully submits that, having expressly and helpfully excluded from

her claim any compensation referable to the underlying account decision or to foreign-exchange movements (Section 3 of her Response), the Complainant cannot, consistently with that exclusion, rely on the financial uncertainty flowing from that same underlying decision to inflate the compensation claimed for case-handling conduct considered in isolation. The Service Provider submits that only the incremental distress and inconvenience attributable to the manner of communication and complaint-handling, separate from the impact of the underlying commercial decision itself, properly falls for the Arbiter's consideration.

4. Conclusion

For the reasons set out above, the Service Provider respectfully submits that, while it does not dispute that its case-handling conduct fell short of the standard it aims to provide, the sum of EUR 2,000 sought is disproportionate and unsubstantiated by reference to any stated methodology. Having regard to the nature and duration of the case-handling deficiencies acknowledged above, and consistent with the Arbiter's approach in comparable cases to unsubstantiated or unquantified claims for distress and inconvenience, the Service Provider submits that a sum of EUR 500 would represent fair, equitable and reasonable compensation for the case-handling conduct properly before the Arbiter in this complaint as re-defined — and, unlike the earlier goodwill gesture referred to in the Complainant's Response, is proposed without any requirement that the Complainant declare the complaint resolved to her satisfaction or waive any right. The Service Provider respectfully submits this figure for the Arbiter's consideration, without prejudice to the Arbiter's own discretion to determine such other amount as the Arbiter considers fair, equitable and reasonable in the circumstances.

The Service Provider remains available to provide any further information the Arbiter may require.[11]"

Final submissions

In her final submissions, Complainant negates the relevance of Arbiter's decision re case ASF 151/2025 cited by eToro and cites Arbiter's decision ASF 179/2025 to justify her claim affirming the Arbiter's right to establish compensation

[11] P. 95 - 96

without supporting evidence of the damages incurred on the principle of *arbitrio boni viri*.

She concluded that:

> ***"The Service Provider's latest Reply leaves the material communication and complaint-handling deficiencies substantially undisputed. The principal remaining issue is therefore the appropriate level of redress.***
>
> ***I respectfully request that the Arbiter:***
>
> ***1. find that the communication and complaint-handling conduct of eToro Money Malta Ltd was deficient; and***
>
> ***2. award compensation of EUR 2,000, or such other amount as the Arbiter considers fair, equitable and reasonable in the circumstances.***[12]***"***

eToro made no final submissions declaring they had nothing further to submit, relying on the case made by their offer of 30 September 2026[13].

Analysis and considerations

There is no issue between the parties that the level of service eToro offered in the handling of Complainant's queries:

"fell short of the standard it aims to provide … it acknowledges deficiencies in providing inconsistent explanations across different points in time and failing to clearly distinguish between the eToro Money account and the eToro Wallet in earlier correspondence"[14].

Complainant supports her case for €2,000 compensation by citing case ASF 179/2025. In that case, the Arbiter had decreed compensation of GBP 3,125 on *arbitrio boni viri* basis. However, in that case, the Complainant had presented substantial evidence that the poor service of the Service Provider had caused him to miss a much bigger investment opportunity causing a credible case of loss of profits from such missed opportunity. In this case, no evidence of any loss of opportunity has been provided and the remedy sought is compensation for stress, inconvenience, uncertainty and personal effort.

[12] P. 103
[13] P. 95 - 96
[14] P. 95

She also cites the decision in case ASF 225/2024 where the Arbiter awarded damages of €1,000 but in that case the serious breach in quality of service caused much, much greater inconvenience compared to this case.

On the other hand, the Service Provider supported their position by citing Arbiter's decision in case ASF 151/2025. In that case the Arbiter's decision to deny claims for damages was based on circumstances very different to this case in that the insurance claim was settled in a fair amount of time and Complainant made unrealistic escalating claims for compensation.

Decision

The Arbiter is obliged by Article 19(3) of CAP. 555 of the Laws of Malta to determine and adjudge a complaint by reference to what, in his opinion, is fair, equitable and reasonable in the particular circumstances and substantive merits of the case.

The Arbiter hereby decides that the offer of €500 in compensation made by eToro is fair and reasonable in the absence of any evidence that Complainant suffered any real loss or lost a credible opportunity to make a profit.

The Arbiter, by the power of Article 26(3)(c)(iv) of CAP. 555, hereby orders eToro to pay Complainant €500 (five hundred euro) in full compensation of this complaint and orders the parties to carry their own costs of this procedure.

Alfred Mifsud
Arbiter for Financial Services

<u>Information Note related to the Arbiter's decision</u>

Right of Appeal

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of

article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act.