

The complaint

Mr T complains that IG Markets Limited's (IGML) platform didn't provide the correct information about margin requirements for some of his trades and that some of his trades were closed when they shouldn't have been.

What happened

In September 2022 Mr T opened an account with IGML, using MT4, a third-party platform, for his trading. Mr T identified discrepancies between the margin balances shown on the MT4 platform and those shown on IGML's own platform which he initially contacted IGML about in October 2022. IGML resolved the issue by re-syncing the platforms on 24 October 2022.

However, the issue occurred again at the beginning of November 2022 and Mr T once again raised this with IGML and it was resolved again by IGML re-syncing the platforms. Mr T contacted IGML about the same issue again on 18 December 2022. He was informed by IGML that the margin discrepancy was the result of the MT4 platform miscalculating margin requirements when there was a hedged trade.

IGML emailed on 21 December 2023 confirming the above issue with the MT4 platform and warning that the issue of mismatch could be solved when it arose but that the same would appear every time he opened new positions. He was advised not to use MT4 but his IGML account instead if he wanted to use the same trading strategy in the future.

Mr T thereafter continued to raise issues with IGML including on 15 February 2023 when he told IGML that trades had been closed in the last couple of weeks without him actioning this. In the course of his discussions he said that three trades had been closed whilst he had been on the phone. IGML investigated this and concluded that the three trades had been closed through Mr T's MT4 account whilst he had been logged on.

Mr T referred his complaint to us and IGML then provided its final response to the complaint. It didn't uphold the complaint and in short made the following points:

- The issue with the margin discrepancy between the MT4 platform and IGML platform was the result of an ongoing issue with the MT4 platform calculating margin where there were hedged positions.
- Its technical team can fix this when it is raised but it is an ongoing issue and there is a project ongoing with MT4 to fix this.
- At no time was Mr T closed out of positions due to margin call or prevented from opening new positions.
- This affected only the margin and balance and there is no evidence it affected profit and loss calculations as he has alleged.
- The discrepancies were minor and there was no material impact on his account and

as such no funds to be reimbursed.

- In the event of a discrepancy between a third-party provider its terms and conditions mean that it's the information on the IGML platform that will prevail
- Mr T was informed that IGML's internal systems indicated that the instructions to close trades on 15 February 2023 came from Mr T as the user and its technical team has confirmed that the requests to close trades came from his MT4 account and that Mr T was logged on at the time.
- IGML didn't update Mr T about the margin discrepancy issues raised by him and there wasn't true ownership from its helpdesk to see out his queries until resolution and £300 is offered as a goodwill gesture for this.
- In addition IGML offers £100 for the delay in dealing with the complaint.

Mr T didn't accept the offer from IGML and one of our investigators considered the complaint and made the following key points.

- The margins displayed by MT4 differed from those showing on IGML's platform on more than one occasion identified by Mr T and although IGML resolved these it didn't inform him.
- IGML offered a total of £400 for its poor communication which is in line with the level of compensation we would recommend for this.
- IGML explained the issue that caused the discrepancy was in relation to hedged positions which affected the balances displayed by MT4 which miscalculated the margin balance.
- IGML said it can fix this when raised by a client but that there is an ongoing project with MT4 to resolve this, as Mr T was informed in emails on 21 December 2022 and 26 January 2023 when he was advised to avoid opening hedged positions.
- The issue didn't lead to Mr T being unfairly closed out of any positions or prevent him opening new ones.
- IGML accept that Mr T had to add funds because of MT4 showing the wrong margin balance but haven't identified that Mr T suffered any loss as a result of this.
- The terms and conditions include provisions in relation to the use of a third-party electronic trading services making clear that IGML isn't responsible for the information provided by MT4.
- Mr T knew how to check the correct margin reserved amounts on his account and therefore could have checked other amounts, such as the balance or his free margin, on the IG platform through 'MyIG'.
- The problem only occurred when he placed hedged trades and he was made aware this was an issue and could have placed such trades through the IG platform instead if he wanted.
- The evidence shows that the trades Mr T says were closed automatically were closed on instructions from Mr T's IP address.

Mr T didn't agree with the investigator but didn't provide any new information or evidence save that he did refer to an article about why Apple had removed MT4 from its app store. As Mr T didn't accept the investigator's opinion the matter has been referred to me for review and decision.

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.

My role is to determine Mr T's complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case based on the information provided by the parties and taking into account relevant: law and regulations; regulator's rules, guidance and standards; codes of practice; good industry practice at the time - where I consider it appropriate to do so. My findings of fact are made on a balance of probabilities – what is more likely than not – and it is for me to decide how much weight to give to evidence provided by the parties.

Mr T's complaint involves two main issues. The first is the discrepancy in the margin figures between the MT4 platform and IGML's platform. The second is that trades he had opened were closed without him actioning this. I note that when he spoke to the investigator following receipt of his opinion, Mr T referred to the issue not being with a third-party. However, it is very clear from the evidence that he raised more than one issue about margin discrepancies between the MT4 platform and IGML's platform and this forms part of his complaint. So, his complaint does relate to information provided by a third party.

The margin discrepancies

I have set out some brief details of margin discrepancies identified by Mr T in the background above. There is no dispute that the MT4 platform and the IGML platform weren't always synced such that the margin requirement shown on the respective platforms was on occasion different.

Mr T's frustration with this is apparent in the discussions he had with IGML. However, IGML has explained that the discrepancies arose because the MT4 platform miscalculated the margin when there was a hedged trade. I have seen nothing to suggest this wasn't the case and accept its explanation for the cause of the issues that Mr T experienced.

IGML isn't responsible for the information provided by a third-party electronic trading service such as MT4, as the terms of its customer agreement make clear. In short, these state that if clients choose to use a third-party electronic trading service it is for the client to understand and evaluate the functionality of that service and IGML doesn't provide any guarantees as to the accuracy or completeness of data provided by the service.

The terms also make it clear that where there is a discrepancy between the data IGML provides on its platform and that provided by a third-party electronic trading service such as MT4, it is IGML's data that prevails. I set out the relevant terms in full below.

THIRD PARTY ELECTRONIC TRADING SERVICES

(19) We may make available to you Electronic Trading Services provided by third parties (e.g. MT4 and ProRealTime) ("Third Party Electronic Trading Services"). It is your sole responsibility to understand and evaluate the functionality of any such Third Party Electronic Trading Services before agreeing to download or access them or enter into Transactions with us using any Third Party Electronic Trading Services. Contact one of our employees to

find out if a service is a Third Party Electronic Trading Service.

(20) We do not control, endorse or vouch for the accuracy or completeness of any Third Party Electronic Trading Services or their suitability to you. Third Party Electronic Trading Services are provided to you on an 'as is' basis, without warranty or guarantee of any kind, express or implied, including but not limited to the warranties of merchantability and fitness for a particular purpose.

(21) It is a condition of your use of any Third Party Electronic Trading Services that you agree to any reasonable conditions that we place on the use of such products and pay any Charges and any applicable Taxes that we notify you of.

(22) Certain Third Party Electronic Trading Services run on pricing data provided by us to a third party software administrator (for example ProRealTime). We will use reasonable endeavours to ensure an acceptable service but you accept that the price data displayed in any such Third Party Electronic Trading Services may be delayed and that we do not guarantee the accuracy or completeness of the data, either current or historical, and that we do not guarantee that the service will be uninterrupted. Furthermore you acknowledge and agree that in the event of any discrepancy between the data (pricing or otherwise) in the Third Party Electronic Trading Service and our other Electronic Trading Services, the data in our other Electronic Trading Services will prevail.

(23) You use any Third Party Electronic Trading Services at your own risk. In no event will we be held liable for any claim, damages or other liability, including loss of funds, indirect losses (such as loss of profits), data or service interruptions, whether in an action of contract, tort or otherwise, arising from, out of or in connection with the use, operation, performance and/or error or malfunction of any Third Party Electronic Trading Service and/or any services provided by any Third Party Electronic Trading Service provider other than as a result of our fraud, wilful default or negligence."

The above terms mean that MT4 miscalculating the margin requirement isn't something that IGML are responsible for and moreover that it is the information on the IGML platform that takes precedence if that occurs - so Mr T should have relied on what its platform showed in terms of margin requirement whenever a discrepancy arose. IGML addressed the discrepancies appropriately when Mr T identified these, by re-syncing the platforms and it wasn't required to do anything more.

In any event, whilst Mr T has provided a significant number of documents in support of his complaint - showing trades he made, tick data, multiple margin calls received by him, and a large number of deposits into his account - none of the documents provides evidence that he suffered any loss as a result of the discrepancies in the margin requirement between the platforms. This is very much a secondary point in any event, given my finding that IGML aren't responsible for the information provided on the MT4 platform in the first place.

Although IGML addressed the discrepancies appropriately when Mr T identified these, by re-syncing the platforms, there were shortcomings in IGML's communications with Mr T following him raising the margin discrepancy issues. It acknowledged this in its final response and offered £300 as a goodwill payment along with a further £100 for the delay in responding to his complaint. I think the overall offer of £400 is fair and reasonable for the distress and inconvenience caused to Mr T as a result of the communication issues, as I refer to further below.

The closing of positions without Mr T actioning this

Mr T raised this with IGML in a telephone call on 15 February 2023, referring to positions

being closed without him taking any action to close them in the past couple of weeks. He alleged during the call that three positions were closed as he was speaking to IGML. He has provided a short witness statement from a witness who states they witnessed multiple trades closing without Mr T pressing a single button whilst he was on the phone to IGML.

However, IGML has provided evidence that the three positions referred to were open and closed through Mr T's MT4 account using the same IP address. In other words the positions were closed using the same IP address that Mr T used to open the positions. As I said at the outset, it is for me to decide what weight to give to evidence provided by a party. In this case I place more weight on the evidence provided by IGML than on the evidence of Mr T and his witness. I am not persuaded that Mr T's three positions were closed as a result of IGML doing anything wrong and given the positions were opened and closed using the same IP address it is more likely than not that he closed the positions.

I have also seen no evidence that supports the allegation made by Mr T that other positions were closed in the weeks preceding the call without him actioning this. One final point on this issue is that if there was a problem with IGML's platform such that it was closing positions without this being actioned by its clients it is very unlikely Mr T would be the only customer affected. IGML has no record of any other customer having this issue and I think this is further evidence that Mr T's positions weren't closed as a result of anything wrong with IGML's platform or as result of something it did wrong.

Mr T raised a number of other issues with IFDL, such as his profit and loss figures being wrong and his free margin going from positive to negative whilst markets were closed. However, he has provided no persuasive evidence to support this and I note that IGML has said that it never needed to put right any problem related to Mr T's profit and loss.

I have considered the article that Mr T referred to but I am not satisfied that Apple's reason's for deciding not to accept MT4 in its app store has any bearing on the issues the subject of this complaint.

Although IGML accepted there were shortcomings in its customer service in relation to its communication with Mr T, it didn't uphold the complaint and its offer of £400 was made only as a goodwill offer. I am of the view that the shortcomings in its communications mean that the complaint should be upheld, although I think the amount it has offered for this is fair and reasonable in the circumstances.

My final decision

I uphold this complaint to the extent and for the reasons I have explained as set out above. IG Markets Limited must pay Mr T £400 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 19 February 2024.

Philip Gibbons
Ombudsman