

The complaint

Mr D complains that Interactive Brokers (U.K.) Limited ('IB') caused him loss when it didn't correctly handle his requests to close futures positions on his contract for differences ('CFD') trading account. He also complains of errors and messages being deleted without his action.

What happened

Mr D has a CFD trading account with IB. On 20 March 2023 he was trading Mini DAX futures ('FDXM') positions on this account. His recollections of these events are he sold 3 FDXM positions at an average of 15141.5. As markets were closing he tried to close these positions at around 15149, but as IB's platform malfunctioned his order requests were ignored despite his repeated attempts to close his positions. He was able to close his positions but at a higher level of 15165, which Mr D says incurred him a loss of €240.

As he was unhappy with how IB handled his request to close his positions, he complained to the firm about what happened. In summary he said:

- IB's platform was non-responsive to his attempts to close his position.
- He'd seen similar malfunctions in the past where positions were opened and closed without his instruction.
- IB's message centre often shows errors and messages delete themselves.

IB considered the complaint but didn't think it should be upheld. In summary it said:

- All trades were placed by Mr D's user profile and there was no error in how they were executed.
- Two currency pairing trades – GBP|USD and EUR|GBP – were entered into the platform on Mr D's profile and were executed in line with his instructions.
- Issues relating to the error messages could be resolved by clearing cookies, trying a different browser or using the IB website itself rather than the platform.

As Mr D remained unsatisfied with IB's response, he referred his complaint to our service. In the course of doing so he said he was no longer concerned about the currency pairing trades or the other positions he experienced issues with as he hadn't incurred any loss on those. Leaving then just the issues relating to FDXM and the errors and issues with IB's message centre.

One of our Investigators considered his complaint but didn't agree it should be upheld. In summary he said he hadn't seen evidence of any technical issues affecting the trades or with IB's messaging system. In the event such issues were present, IB's terms fairly set out that it won't be responsible for losses relating to such events.

Mr D responded to our Investigator, in summary he said:

- It wasn't reasonable we took IB's account of what happened over his.
- He had evidenced in his testimony historic reoccurring issues relating to the platform.

- Too much reliance had been placed on what IB's systems reported without proper consideration those records could be incorrect.
- There is inherent unfairness in IB's terms which ought to prevent it from relying on them.

As no agreement was reached, the complaint has been passed to me to decide.

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.

I've carefully considered Mr D's testimony and IB's comments around what happened when he tried to close his short FDXM position before markets closed. I can see there was around a 15 minute period between him placing the last of his short positions and the market closing. I'm satisfied from the testimony available, Mr D's trading pattern and where the market was trading around that time, this is likely the period Mr D says he tried to close his position.

Mr D says IB's systems malfunctioned and didn't register the order he was trying to place. He's provided detailed testimony around this, which includes his previous experiences with similar issues which aren't subject to this complaint. While I have considered Mr D's recollections, I've not seen any evidence to corroborate them. There are some situations where issues like these are more easily demonstrated than others, as well as those so widespread they would be clearly evident. And while I understand from Mr D's perspective he feels he can't be expected to provide evidence of the in the moment issues he describes, such evidence when available is key to demonstrating the version of events presented. Without it, I can only consider the other evidence available when reaching my decision.

And from the evidence available, I've not seen on balance that IB's systems were behaving in the way Mr D describes. I say this because IB says its systems were operating properly and has provided trading history showing the platform was functioning well throughout 20 March 2023. I've also considered there can be many reasons for orders not being registered and not all of those would be in IB's control – such as internet connectivity problems, hardware/software issues affecting Mr D or other third parties between himself and IB, or market factors. There are then multiple possibilities which could've caused Mr D to not be able to close his position. From that, I'm not persuaded the most likely cause was IB's systems over any other possibility.

It follows then with the evidence available I can't fairly establish the most likely cause of Mr D not being able to close his FDXM position on 20 March 2023 was IB's systems.

In any event, IB does have a disclaimer for these issues, of which the fitness for purpose of IB's platform would be an important consideration. But as I've not seen that IB's platform unfairly malfunctioned, I can't say how the issue Mr D describes, if it were established, would impact the fairness of the application of such terms given the fault in question hasn't been established.

I understand Mr D's position closed at a higher level than he was expecting the next day. From reviewing the orders he placed, I'm satisfied IB executed his order in a timely manner. I say this because Mr D set several limit orders which were all trading above the price Mr D set, and once he increased that and the market fell to that level his position closed. IB does clearly disclose how limit orders work in a clear, fair and not misleading manner on a specific part of its website, which its order execution policy refers to. It's unfortunate the market moved against Mr D when it reopened causing his loss to increase. But I can't fairly say IB

needs to compensate him for that loss given IB executed the first available trade which met Mr D's submitted order in line with its order execution policy.

Mr D has also complained that IB's messaging system is unresponsive, suffers from unexpected erasures and is prone to errors.

In a similar manner to what I've said regarding Mr D's attempts to close his positions, I've not seen any evidence of those issues. And in any event IB's terms do cater for and provide awareness of there being at times technical issues. I note in IB's response to his complaint it provided Mr D with a range of suggestions to resolve the problems he was reporting, which was fair and reasonable for it to suggest as ways of resolving those problems for Mr D.

It follows then I can't fairly direct IB to compensate the losses Mr D says he incurred from his position closing at a larger loss than he expected, or the inconvenience incurred relating to the issues affecting the message centre.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 25 February 2025.

Ken Roberts
Ombudsman