

The complaint

Mr K has raised a number of concerns relating to his CFD trading account provided by Fortrade Limited, primarily:

- It provided poor trading advice to him.
- Positions were closed out at a significant loss in January 2023 following advice that failed to provide options that would've enabled him to retain the positions.
- In March 2023 he was unable to manage his trading positions due to technical issues, including a 'cyber-attack' on Fortrade's platform.

What happened

Mr K opened his account with Fortrade in November 2022. He began depositing funds and trading soon after and continued to do so frequently over the next few months. Following a series of larger than normal losses on 31 January 2023 he raised a complaint with Fortrade that he had been misadvised by his account manager to close the positions that had caused the losses. He later further complained about several technical issues that had affected his trading, including the alleged cyber-attack in early March 2023.

Fortrade didn't uphold any aspect of the complaint. It explained that in setting up the account it had warned Mr K of the risks involved with CFD trading. This had included providing a specific warning that this type of trading wasn't appropriate for him because of his lack of knowledge and experience. But as he'd nevertheless wished to go ahead and open an account and trade, he'd been provided with educational information and ongoing support from its account managers.

In respect of the specific points Mr K had raised, Fortrade said that on 31 January 2023 the account manager had simply informed Mr K of his options because of his account's falling margin level. As an execution-only service it had always remained Mr K's responsibility to decide how to manage his account. Fortrade added that it had also found no evidence of any technical issues, or cyber-attack, occurring around the times Mr K had identified.

The complaint was then referred to this service, but our investigator also didn't think it should be upheld, for broadly the same reasons as those given by Fortrade.

She noted the warnings provided to Mr K, as required by the relevant regulations. She also explained that having listened to recordings of calls between Mr K and Fortrade, she'd found no evidence that advice on what trades to open and close had been provided to him. Rather, Fortrade had provided only information and general support.

Further to that, she said the calls of 31 January 2023 indicated that Mr K had been given information regarding his options in light of the low margin, but no advice about which particular strategy to use to address the situation. And the investigator also couldn't see that any technical issues had impacted Mr K's trading. She noted that calls between him and Fortrade at the times in question had indicated both parties were viewing the same information.

Mr K didn't accept the investigator's opinion. He reiterated many of his concerns and provided further evidence that he felt supported his position. He gave other examples of where he felt detrimental advice had been provided to him and stressed that if he hadn't spoken with his account manager on 31 January 2023, he wouldn't have closed the loss-making positions and would've instead benefitted from the subsequent rising market. He said Fortrade had influenced him in order to profit from his decision to close the positions.

Despite Mr K's further submissions, the investigator wasn't persuaded to change her opinion, so the matter was 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.

Having done so, while I recognise Mr K will be very disappointed, I find I've come to the same conclusions as those reached by the investigator, and for broadly the same reasons.

Although his complaint, initially at least, focused on two quite specific points, consideration of it by both Fortrade and our service has gone beyond those issues to look at the wider circumstances, from the point at which the account was opened and Mr K started trading.

It's clear from looking at the information Mr K provided to Fortrade when he opened the account that he had little, if any, knowledge, or experience of CFD trading. The rules relating to the provision of this type of trading don't prevent an account being opened for someone in that situation. But they do say that a specific personal warning must be issued – in addition to any general warnings about the high risk of loss that are provided (and were in this case) – that CFD trading isn't appropriate. And that's what Fortrade did. It told Mr K that it considered CFDs were not appropriate products for him.

But Mr K decided to go ahead anyway and was assigned an account manager who directed him to educational videos and also took him through the explanations of trading and how his account worked. While it's clear from Fortrade's notes and the recordings of telephone conversations that Mr K needed a lot of guidance and support, it was given to him and he proceeded to trade, and therefore gain knowledge and experience, in a reasonable manner.

As noted, it was after the losses of 31 January 2023, a couple of months into trading, that Mr K raised concerns to Fortrade. He'd had a conversation with a different account manager prompted by the margin level on his account and from listening to that call I can hear that Mr K was provided with an explanation of the situation and the options available to him.

But he wasn't advised to take a particular course of action and I'm satisfied the decision to subsequently close positions at a loss was Mr K's own. I can understand why he would've been disappointed and frustrated that the market then moved back in the opposite direction such that losses would've been avoided. But that is the nature of trading. I've seen nothing that leads me to conclude that any information given to Mr K was provided to unduly influence him or with the aim of making a profit for Fortrade.

Similarly, I've seen no evidence that persuades me there were technical issues with Fortrade's platform that impacted Mr K's trading.

I do understand that this has been a difficult experience for Mr K given his circumstances. But in deciding the outcome of a complaint I must determine whether a business has acted incorrectly or unfairly such that it caused a loss for the complainant. In this case I'm satisfied that it was Mr K's own ongoing trading decisions and the market that caused his losses, not

actions or inactions on the part of Fortrade. He was, correctly, very clearly warned of the risks of this type of trading.

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 K to accept or reject my decision before 14 February 2025.

James Harris
Ombudsman