

## The complaint

Mr D has complained about the service he received from Interactive Brokers (U.K.) Limited ('IB'). He says he couldn't log in to his account as usual and had to trade via IB's mobile app, he couldn't buy the options he wanted, and the orders completed at the worst possible price. Mr D would like an apology from IB, a refund of the losses incurred and for IB to review what happened and learn from that.

## What happened

Mr D had been trading with IB since May 2023. On 30 April 2024 Mr D wanted to trade in IREN 10MAY24 5 C but had problems logging into his account so had to submit the order from IB's mobile app on his smart phone. When logging in he says his access was denied multiple times. Mr D told us about the settings on his computer and phone app were usually the same but on this occasion the option dates changed from 10 May 2024 to 3 May 2024. As a result, Mr D carried out two incorrect trades.

Mr D raised a complaint with IB. In its response to the complaint on 27 May 2024, IB didn't think it should be upheld. It said;

- It outlined the times Mr D had logged on via its client portal and its mobile app.
- It detailed the two orders carried out and the bid/ask at the time of the trades. The trades were not carried out off market or outside the bid/ask spread.
- It had tried to cancel the trades via both a 'Catastrophic Bust' from the exchange and also a 'Voluntary Bust' with the contra party, but both were declined.
- It had acted within the terms of the Customer Agreement.

Unhappy with the outcome Mr D brought his complaint to the Financial Ombudsman Service. Our investigator who considered the complaint didn't think IB needed to do anything more. He said;

- IB hadn't found any evidence of why Mr D couldn't access his account, and he was able to log on via IB's mobile app so had access to the platform and was able to trade.
- Mr D bought IREN options with an expiry date of 3 May 2024 rather than 10 May 2024 due to an inputting error but IB was an execution only broker and it was Mr D's responsibility to check the accuracy of his orders prior to submitting them.
- He was satisfied Mr D's two orders – one for 640 and the other for 85 contracts – of IREN 03MAY24 5 C were executed fairly within the prevailing bid/ask at the time.
- IB's attempts to challenge the trades was rejected by the exchange because it was submitted more than 30 minutes after the trade and because the execution prices were within the bid/ask at the time.

Mr D didn't agree with the investigator. He said IB was obligated to cancel his second order when he called, and he was entitled to compensation. He thought the investigator was biased.

As the complaint remained unresolved, it has been passed to me for a decision in my role as ombudsman.

### **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'm aware I've set out the background to this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every point made by the parties involved. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

#### Access to IB's client portal

Mr D has said he couldn't log onto his online account but in IB's response to his complaint it made clear that Mr D initially logged into his account on 30 April 2024 via IB's client portal and later in the day via its mobile app where he placed his order. IB has told us it cannot find any evidence of interruptions or outages that would have Mr D's ability to access his account.

So, while Mr D may have been inconvenienced by not being able to access his account via IB's website on his computer – which IB disputes – he was still able to do so by using the mobile app. As Mr D was able to access his account – as evidenced by him placing his orders – it wouldn't be fair or reasonable for me to conclude that IB did anything wrong and uphold this element of Mr D's complaint.

#### The trades

Mr D carried out two option trades with the incorrect expiry date. The two trades carried out on 30 April 2024 were;

- 09:30:00 – a buy of 640 IREN 03MAY24 5 C at \$0.15 when the bid/ask was no bid/\$0.15.
- 10:17:19 – a buy of 85 IREN 03MAY24 5 C at \$0.09 when the bid/ask was \$0.05/\$0.15

In making his complaint to IB Mr D said that its website and app always opened at the last options page he was looking at – IREN 10MAY24 5 C – which is what he believed he was buying. But despite what Mr D has said, I haven't been presented with any evidence to suggest that the app wasn't working as intended. And in line with Mr D's Customer Agreement, it was Mr D's responsibility to ensure that he entered and checked the correct trades he wanted to carry out.

That Customer Agreement – which Mr D agreed to when he opened his account with IB – said;

#### **'B3 Orders and confirmations**

##### **B3.1 Responsibility for your orders**

B3.1.1 IBUK, IBLLC and their Affiliates shall be entitled to act upon any instructions given or purported to be given by you. Once given, your instructions may only be withdrawn with our consent...

B3.1.2 You are responsible for the confidentiality and use of your Credentials as well as any orders entered with your Credentials...However, you shall remain responsible for all transactions entered using your credentials prior to us receiving such Written Notice.

...

B3.7.6 IBUK and their Affiliates accept no responsibility for inaccurate orders or orders that are not received by IBUK or its Affiliates and may execute any order or trade on the terms actually received. You will be bound by trades as executed, if consistent with your order as received by us.'

I can't agree that IB did anything wrong in carrying out the trades as instructed acting in its role as an execution only platform. It was for Mr D to input and check the correct trade instructions which he didn't do on two occasions. And in the absence of any evidence there was a fault in the mobile app – in that it didn't match what Mr D was previously looking at while he was using IB's website to access his account, which he says was usually the case – I can't reasonably uphold Mr D's complaint about the two trades.

#### Pricing of the trades

Mr D has complained about the prices at which the trades were executed. The earlier trade of 640 contracts was placed at a limit of \$0.15 and was executed at \$0.15 when IB has told us the bid/ask was no bid/\$0.15. So, the trade was carried out within the bid/ask IB has said was prevailing that time, but Mr D has said the ask price was \$0.10 at the time.

For the second order of 85 contracts the limit was set at \$0.11 the trade was executed at \$0.09 when the bid/ask was \$0.05/\$0.15. So again, the trade was carried out within the spread IB has told us was prevailing at the time.

But looking at the first trade where Mr D has queried the price, I see there was no bid at the time indicating a lack of demand and I understand there was low volume at the time. And while I don't dispute Mr D's recollection that he saw a price of \$0.10, after listening to the recordings of Mr D's calls with IB, the dealer he spoke to shortly after the trade was executed wasn't able to see a price of \$0.10 at the time.

But in any event, even if that price was available, there was no guarantee that IB could trade at that price. This is detailed in the Customer Agreement;

#### **'B3.2 Order routing and order execution**

...

B3.2.4 IBUK, IBLLC and their Affiliates cannot and do not warrant or guarantee that every order you place will be executed at the best posted price. Among other things: (a) neither IBLLC nor its Affiliates may have access to every market at which a particular product may trade; (b) orders of others may trade ahead of your order and exhaust available volume at a posted price; (c) exchanges or market makers may fail to honour their posted prices; (d) exchanges may re-route your orders out of automated execution systems for manual handling (in which case, execution or representation of your order may be substantially delayed)...

Taking all of this into consideration, I'm satisfied that the trades were carried out at the correct price particularly bearing in mind the lack of liquidity in the market. So, I don't uphold Mr D's complaint about this.

### Cancellation of the trades

Once Mr D spotted the errors, he contacted IB. IB has a 'Bust Policy and Procedures' in place where it attempts on a best-efforts basis to forward trade cancellation requests to the relevant market. But IB won't provide compensation to customers for any trade cancellation not accepted by the market.

As already confirmed to Mr D by IB, there are two criteria that need to be fulfilled for a trade to be cancelled. A trade can only be 'busted' if it meets the exchanges' 'Obvious Error' rule;

- the exchange is notified within 30 minutes of the trade *and*
- the execution price needs to be a certain amount outside of the bid/ask at the time of the trade.

I know Mr D disputes the timing of when the cancellation bust was requested which must be within 30 minutes of the actual trade and says that he wasn't told about this during the process. But the cancellation request must fulfil both criteria and as outlined above, I haven't seen any evidence that the trades were executed outside of the bid/ask at the time so it would have failed on the one criterion if what Mr D has told us is correct.

And IB has provided evidence of its additional request for a 'Catastrophic Bust' from the exchange, but the exchange ruled the trade was to stand as executed. It further requested a 'Voluntary Bust' from the contra party that was declined as well. So, its clear eToro tried to help Mr D on a best endeavours basis in cancelling the trades he placed in error.

It should be remembered IB is a platform that provides trades on an execution only basis and clearing services for those trades. It passes customer orders to exchanges and market centres for execution. It doesn't profit from any gains or losses incurred by a customer. Mr D's orders were executed in the market and IB doesn't have a responsibility to check any orders placed by a customer. That responsibility falls to the customer.

Taking all the above into account and because of the information presented to me, I don't uphold Mr D's complaint. I appreciate he will be disappointed in the outcome. It's clear he understandably feels strongly about it, and I'd like to thank him for the effort and time spent in bringing his complaint. But I hope I have been able to explain how and why I have reached my decision.

### **My final decision**

For the reasons given, I don't uphold Mr D's complaint about Interactive Brokers (U.K.) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 8 August 2025.

Catherine Langley  
**Ombudsman**