

## **The complaint**

Mr R complains about how StoneX Financial Ltd (StoneX) closed his spread bet positions following a margin call.

His complaint is brought by his representative.

## **What happened**

Mr R had been trading Silver spread bets on his trading account with StoneX. On 13 October 2022 when his account equity fell below 50%, StoneX closed all his open short Silver positions. Which were the only positions he had open on his account at that time.

Because all his positions were closed, rather than only enough to bring the account back within the margin limits as Mr R thought should happen, he complained to StoneX. In his view had StoneX taken a more gradual approach to close his positions then the losses he incurred wouldn't have been as high as they were.

StoneX considered his complaint but didn't think it should be upheld. It explained its terms allowed it to do so where he'd had fallen below the account's margin requirements, and the price it closed them at reflected the underlying market.

As Mr R didn't agree he referred his complaint to our service to consider. One of our Investigators looked into the matter but didn't think it should be upheld. He explained this was because:

- StoneX had in its terms and conditions sufficiently disclosed how margin closeouts work and how it closes positions during them.
- There were no rules that prohibit StoneX closing all Mr R's positions.
- It was fair for StoneX to do that here where Silver was the only position he held, in his view it wasn't unreasonable the firm closed all his positions to limit his exposure to that asset.
- In any event Mr R could've opened the positions he wanted to after they had been closed as those funds would've become available for trading again.

In response to our Investigator's findings, Mr R's representative continued to challenge the closure of all the positions, explaining that other brokers Mr R uses don't do so. And provided evidence of prior platform issues to evidence that StoneX may have closed all his positions in error.

As our Investigator wasn't persuaded to change his view Mr R's complaint was 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.

Having done so in reaching my own independent conclusions on this complaint, I've reached the same outcome for the same reasons as our Investigator gave. It follows I've not seen this complaint should be upheld.

I say this because the terms and conditions Mr R agreed to set out, in a clear, fair and not misleading manner, that if Mr R's margin level on the account falls below the margin requirements then it can "*close all or any of your Open Positions immediately with or without notice*". It appears Mr R accepts his account fell below the margin requirements and in any event I'm satisfied the information StoneX has provided about it demonstrate it was likely it did.

What remains in dispute is whether StoneX should've sold all his positions, or just enough to bring the account back over the margin requirements. As I've said above StoneX's terms allow it either option. I don't find that term in itself unreasonable given it provides StoneX with the flexibility it needs to execute its obligations under the relevant rules. But I would need to be satisfied that the firm applied it fairly here in Mr R's circumstances. And I think it has.

I say this because like our Investigator I'm satisfied short Silver spread bets were the only positions Mr R had open at the time, and it was this exposure which caused the margin closeout. It follows then StoneX wouldn't be acting unreasonably by insulating Mr R from further losses incurred by the holding which caused his margin levels to fall below the requirements by closing them all out. In my view it would be acting in his best interests and treating him fairly by doing so, as StoneX couldn't know if the market would move further against Mr R, increasing his losses, or not.

If Mr R wanted to regain his exposure to Silver, he would've been able to do so with the now freed funds on his account, within the account's margin requirements.

I'm also not persuaded that because other firms may not close all positions or where StoneX has compensated Mr R before due to problems he experienced with its platform means it wasn't acting unreasonably by closing the positions it did. I say this because I've not seen evidence of a technical issue causing the closeout, or it being the reason why all positions were closed. Given where the Silver market was trading at the time and as the account has been shown to have fallen below the margin requirements, I'm not persuaded either the closeout occurring or all the positions being closed from that was caused by an error or issue with StoneX's platform

I'd like to assure Mr R I understand the reasons why he feels StoneX treated him unfairly and the impact the losses he's incurred would have on him. But having considered all of the evidence and arguments in this complaint, I'm not persuaded StoneX acted unfairly in how it closed his positions.

**My final decision**

For the reasons given above, I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 October 2025.

Ken Roberts  
**Ombudsman**