

## **The complaint**

Mr D has complained that Stratos Markets Limited, trading as FXCM ('FXCM'), incorrectly closed his spread betting position. He says he has suffered a loss of £42,550 which he would like returned to him.

## **What happened**

Mr D had a short position in 50 SPX500 which he opened on 12 July 2023 (ID ending 279). It was closed on 11 July 2024. Mr D complained about this to FXCM as there was enough equity on his account to cover the margin and so he says the position shouldn't have been closed.

FXCM responded to Mr D's complaint on 17 July 2024. It didn't uphold Mr D's complaint. It said;

- The order to close the trade came from Mr D's login and access code.
- Because of this, it could only infer the position was closed intentionally.
- The order was carried out as instructed and executed at a valid price in the market. No adjustment would be provided.

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

- The evidence suggested Mr D's close order was submitted from the same log in, computer and IP address as all previous orders he had submitted.
- The records didn't show that the liquidation was due to the account not meeting margin requirements but was received from Mr D rather than an automated liquidation.
- There was sufficient margin on Mr D's account which suggested the position wasn't subject to liquidation due to insufficient margin.
- The investigator had been able to verify that the trade was executed in line with the prevailing market price.

Mr D didn't agree with the investigator. He was certain he didn't close the position and couldn't understand why FXCM's records showed that the instruction came from him.

Mr D asked that his complaint be reviewed by an ombudsman, so it has been passed to me for a 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.

After doing so, I've reached the same conclusion as the investigator and broadly for the same reasons. I'll explain why.

FXCM has told us about the sequence of events that led to Mr D's SPX500 position being closed. An earlier stop order had closed at 12:32:54 on 11 July 2024 which was nine seconds before ID 279 was closed. That earlier order – ending ID 881 – which had closed left sufficient margin on Mr D's account for ID 279 to remain open. So, there was enough liquidation on Mr D's account to prevent it from automatically being closed.

FXCM has said that after Mr D raised his complaint it looked into the account to confirm where order number ending ID 279 originated from. It confirmed that the order to close the position was sent from the same unique user – the log in, computer and ID address – where Mr D had previously sent orders so it could only conclude the position was closed as Mr D intended.

FXCM has provided us with Mr D's account statement and its User Activity Report which I have reviewed and which details the closure of the position at 12:33 on 11 July 2024. I can see from that report that the same user and computer address Mr D had previously used made the market order for trade number ending ID 279 and which he continued to update order throughout the day.

While I appreciate Mr D doesn't agree he placed the order, I haven't seen any evidence to indicate that it wasn't placed from Mr D's unique computer and user address. So, I can only conclude it was manually closed by Mr D whether that be in error or intentionally.

Mr D told us he had been monitoring FXCM's software for discrepancies and at the end of July 2024 noticed a difference in its desktop application compared to its web application. He accepted that while it might not have any relevance to his complaint but he thought it illustrated a potential error on FXCM's desktop application.

Mr D has said that without access to FSCM's test scenarios, coding or logs he couldn't provide anything more for this service to consider but wanted an investigation to explore the reason why he had suffered a substantial financial loss. I appreciate Mr D feels strongly about his complaint and that he didn't place the close order. But where I am presented with evidence or information that is contradictory, I have to base my decision on the balance of probabilities and what I think more likely happened. And in this case, I haven't seen anything to suggest that the closure of Mr D's order ending ID 279 was as a result of any action by FXCM or failure of its IT system.

It follows that I don't uphold Mr D's complaint. No doubt Mr D will be disappointed with the outcome I have reached. I would like to thank Mr D for the time and effort he has spent in bringing his complaint, but I hope I have been able to explain how and why I have reached that decision.

### **My final decision**

For the reasons give, I don't uphold Mr D's complaint about Stratos Markets Limited trading as FXCM.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 3 September 2025.

Catherine Langley  
**Ombudsman**

