

The complaint

Mr V has complained that XTB Limited ('XTB') didn't make him aware there was an expiration date on his contracts for difference ('CFDs') gold positions. He says because of this, he has lost out financially.

What happened

Mr V had a CFD execution only account with XTB since October 2023. In the same month he opened some sell gold positions. In September 2024 Mr V became aware the positions would be closed on 12 October 2024 which was 365 days after he opened them. He wasn't aware there was an expiry date for his CFDs and raised his concerns with XTB. In its response XTB said;

- It referred to Mr V's agreement to its terms of business, order execution policy, key information document and information about costs and fees etc.
- Information about the expiry date was available in educational articles on its website as well as on the ticket platform itself.
- XTB was an execution only broker so didn't offer advice and it was the client's responsibility to manage their trades.
- Swap charges were applied universally and related to changes in US interest rates.

Unhappy with the outcome Mr V brought his complaint to the Financial Ombudsman Service. He said the fact the positions would expire was never brought to his attention during his interactions with XTB. He said this was unique to XTB so he should have been informed. Daily statements didn't mention anything about the expiry date. He had a long term perspective and kept funding his account to satisfy margin requirements.

Our investigator who considered the complaint didn't think XTB needed to do anything more. He said;

- He was satisfied XTB's terms of business, key information document and execution policy made clear an open trade would continue until its expiry date or after 365 days from when the position was opened. The information was also 'basic info' on XTB's platform.
- Swap points and overnight financing rates were found on XTB's website. They were applied across the board and the reason swap charges were applied on gold positions was because of interest rate changes in US swap rates. Swap rates for short positions were negative when interest rates were lower but reached zero in a higher interest rate environment.
- The investigator couldn't agree that during a call between Mr V and XTB that XTB would have inferred a lack of awareness on Mr V's part about the expiry date or should have pointed out the expiry date for gold. That other businesses allowed roll over didn't mean XTB had done anything wrong.

After a response from Mr V, our investigator issued a further assessment;

- He wasn't going to consider the swap points/charges applied any further as Mr V said these weren't huge and he hadn't raised it as part of his complaint.
- He reiterated XTB had provided adequate information about the expiry and the service provided by XTB was execution only so it was Mr V's responsibility to take appropriate action.
- Mr V had questioned whether the account was appropriate for him but this would need to be dealt with as a separate complaint.
- While account statements Mr V saw might not have included the expiry date, this in isolation wasn't an adequate reason to uphold the complaint. Mr V's open positions were listed on XTB's platform and the expiry date was provided in the information tab. The investigator remained satisfied XTB made it sufficiently clear the product had a 365 day expiry.

Correspondence continued but Mr V remained unhappy, so his complaint has been referred to me for a decision in my role as ombudsman. Mr V provided a submission for my consideration which I will address below.

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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

I'd like to take this opportunity to explain that I fully understand Mr V's strength of feeling about his complaint. However, when looking at the circumstances surrounding Mr V's complaint, my role is to be impartial and consider what's fair and reasonable. This means taking into account XTB's role, its obligations as set out by the Financial Conduct Authority ('FCA'), but also the nature of the service it offered which involve a high-risk form of trading.

I've also had regard for the terms of Mr V's account with XTB, and the information it provided to him. I've further taken into account XTB's wider regulatory obligations, in particular that in line with COBS 2.1.1R in the FCA's handbook it needed to act honestly, fairly and professionally in accordance with the best interests of its client. And that it needed to ensure its communications with Mr V were fair, clear and not misleading (COBS 4.2.1R).

In response to the investigator, Mr V has questioned whether the product offered by XTB falls within the definition of a CFD and has referred to research websites and said;

'you cannot change a basic feature of a product and still call the product the same...'

I accept that CFDs typically don't have a fixed expiry period, and generally they can continue to be held provided margin requirements and overnight financing charges are met. And I also accept that some brokers – as referred to by Mr V – offer a roll over facility.

But I am satisfied that a CFD with a fixed expiry of 365 days still falls within the classification of a CFD as it retains the core characteristics of a CFD. To my mind these include no ownership of the underlying asset, the trade is cash settled based on price difference and

not the underlying asset, trades use margin/leverage and the profit or loss is calculated from the entry to exit price.

I haven't seen anything to suggest that Mr V's positions didn't reflect similar characteristics. So, I'm satisfied the product offered by XTB does not disqualify if from being classified as a CFD. And I don't agree with Mr V that XTB shouldn't be entitled to impose an expiry date to allow for it to manage risk – XTB told us long-dated positions can expose it to unpredictable risk over time – as well as regulatory or liquidity concerns provided it makes the features clear to its platform users.

While XTB is not alone in offering CFDs with expiry dates I acknowledge that a 365 day duration is not universal, and Mr V has said that it is only XTB's platform that imposes such a duration. Mr V complains that the investor has to navigator deeper into XTB's app to find this critical information which he says should be on the front page and on statements. So, I've looked to see whether XTB fairly and reasonably made Mr V aware of the 365 day expiry. When Mr V became a client of XTB he agreed to its terms of business which also included various documents such as the key information document and best execution policy. I've reviewed those documents to understand what Mr V was told about the expiry of CFDs when he opened his account;

- XTB's Terms of Business;

'12. Position Closure

12.1

a) An open trade will continue until its Expiration Day or after 365 days (excluding CFDs based on cryptocurrencies, Synthetic Stock, Stock CFD and ETF CFD) from the date of the position opened or the occurrence of a relevant event such as a Corporate Action; it will then be automatically closed at the first Financial Instrument price provided by XTB after that period.'

- XTB's Key Information Document under the commodities CFD section;

'...

WHAT IS THIS PRODUCT?

...

TERM

Product does not have a recommended holding period, and the investor may terminate the investment in the Product at any time before the expiry of 365 days...

...

Recommended holding period: None

The investor determines the term of the Product holding individually, however XTB is entitled to close an open position on commodity CFD without Client's consent after 365 days from the date of opening of the position.'

- In XTB's best execution policy;

‘...’

7. Orders' time of execution

...

- 7.1 With the reservation of specific provisions of the GTC, an Open Position on CFD shall be closed without Client's consent after 365 days from the date of opening the position, at the first Financial Instrument Price provided by XTB after that period...'

I acknowledge Mr V's point that he feels he had to delve into the app to obtain this information but equally I don't think it was unreasonable for XTB to assume Mr V read and accepted those terms when he opened his account. And XTB has also provided a sample screenshot of its platform and the 'information tab' which is just below an open gold position on its platform which would open in the following window once clicked. And that tab makes clear various basic details of the trade such as type and volume etc and beneath the 'Open time' of the trade it equally prominently displays the heading 'Expiration date' with the relevant date underneath. So, this information was available to Mr V within XTB's platform and his open positions themselves.

Our investigator also sent Mr V links to XTB's help centre where I see Mr V could have personalised his open position's 'table's view' on its xStation platform to include the expiration date – if it wasn't already included. And I can see links to questions about account closure where it is highlighted that CFDs will close after 365 days from the date of opening the position.

Mr V has said that the trade expiry information only 'popped up 2 weeks prior to the trades being forced expired' and that XTB should make the client aware of this. I understand this was an auto message that appeared 15 days prior to the expiration date. I've considered this along with the other information given to Mr V I have referred to above again, and taking it all into account, I don't think it was unreasonable for XTB to have assumed awareness on behalf of its client and the auto message was for information purposes only.

Mr V has referred to him funding his account with £3,000 on 13 September 2024 and a further £2,500 on 24 September 2024 when the trades were to expire in the following month. He asks why anyone would do this. But while I recognise Mr V's behaviour, in adding further funding to his account, wasn't what would be expected of someone who was aware the positions were expiring shortly when they didn't intend on rolling over, this doesn't show any wrongdoing on XTB's behalf. The account was an execution only account so wasn't monitored by XTB as it was the client who had to manage the account.

And I have listened to a call Mr V had with his XTB account manager and I appreciate Mr V said during the call he had short gold positions on which he didn't want to incur a loss. The account manager said he would come back with more information once he had spoken with their analyst. But I don't think there was anything said during that call that would or should have alerted the account manager to the fact that Mr V wasn't aware the positions he held had an expiry date and he should have been informed of such.

Ultimately, it's clear Mr V would have liked the expiry date information more prominently displayed than it was. And while I accept that just because Mr V was opening an account that was high risk in nature, that doesn't mean the process in and of itself should be high risk to the extent that Mr V wasn't fairly and reasonably informed of the terms of the account. But

I am satisfied XTB provided sufficient information for Mr V to have been aware of the expiration date of his gold CFD positions.

In summary, I think XTB made it reasonably clear to Mr V that its product offering included an expiration date. I think XTB gave Mr V enough clear information prior to trading for him to have understood that. I've thought about whether XTB ought to have given more prominence about the expiry, but I'm not persuaded that it should. The expiry was one of a range of features of the product and I think it was appropriately highlighted.

It follows that I don't think it would be fair or reasonable to uphold Mr V's complaint. I appreciate Mr V will be disappointed with the outcome – it's clear he understandably feels strongly about it. And I'd like to thank him 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 my decision.

My final decision

For the reasons given, I don't uphold Mr V's complaint about XTB Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 7 November 2025.

Catherine Langley
Ombudsman