## The complaint

Mr A has complained about his spreadbetting account he held with Spreadex Limited ('Spreadex'). He says he was able to transfer funds to his fixed betting account which bypassed the limits he had set and enabled his excessive gambling. He says he has suffered significant losses as a result. Mr A said his betting exceeded his wages and Spreadex didn't take adequate steps to safeguard his well being.

## What happened

Mr A opened his fixed odds and spreadbetting account with Spreadex on 18 September 2021. Mr A became concerned about his account and that it enabled him to gamble. He raised a complaint with Spreadex.

Spreadex responded to Mr A's complaint on 22 May 2024. It said;

- Sufficient risk warnings about spreadbetting were given.
- Mr A had completed an 'appropriateness test' when opening the account which made sure he understood the nature of the risks involved in spreadbetting.
- Mr A hadn't implied or advised he was uncomfortable with his gambling or didn't understand the terms and conditions of the spreadbetting account.
- From the outset it would have been apparent to Mr A he had the potential to win or lose multiples of his stake and could incur losses larger than the stake when spreadbetting.
- The spreadbetting account required a deliberate upgrade from the fixed odds account by Mr A.

Unhappy with the outcome, Mr A brought his complaint to this service. He told us he had imposed deposit restrictions on his spread betting account which Spreadex didn't implement. He provided evidence of his annual earnings for 2021 to 2024 with reference to his concerns Spreadex was using out of date data. He said that Spreadex hadn't provided transaction records he had requested.

Notwithstanding Spreadex not upholding Mr A's complaint it offered to refund Mr A's spreadbetting deposit amount of £613.64. Our investigator put the offer to Mr A which he accepted on 4 September 2024.

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

- Fixed odds betting wasn't a regulated activity so this service couldn't consider any complaint about that.
- There were no limits to deposits or withdrawals from a spreadbetting account.
- Mr A earned a similar amount in 2024 as he had in 2021 so even if Spreadex felt it necessary to update the financial data it had about Mr A it would still have come to

the same conclusion that it did.

- Spreadex had provided Mr A with the statement information he had requested.

Mr A didn't agree with the investigator. He said she hadn't investigated why he was allowed to open a spreadbetting account when his earnings were low and he had a fixed odds account. He said that after closing his account with Spreadex he was able to open a spreadbetting account with a linked firm under the same company and it was only closed after his intervention, but the investigator hadn't addressed this.

Our investigator responded to say that Mr A hadn't complained about the appropriateness of him being allowed to open a spreadbetting account and having a low salary and restricted fixed odds account wouldn't have been a factor in that. Mr A requested his complaint be reviewed by an ombudsman, so it has been passed to me for a decision. He provided further comment for my consideration;

- The investigator hadn't addressed why he was allowed to open a spreadbetting account while his fixed odds account was restricted due to gambling concerns.
- After raising responsible gambling concerns with Spreadex he was still able to open an account with a linked spread betting firm.
- He questioned whether the transfer of funds from his fixed odds account to his spreadbetting account was permitted.
- Spreadex should have sought an updated affordability assessment rather than rely on his 2021 self-declared data.
- He had asked Spreadex for a statement of transfers between his fixed odds and spread betting account which he hadn't received.

**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 conclusions as the investigator and broadly for the same reasons. I'll explain why.

I acknowledge Mr A's request that I respond to each of the points he has raised. I would like to assure him I have read, and carefully considered, all the submissions he has made. However, my role is to independently reach a view on what is fair and reasonable in the circumstances, and the purpose of this decision is to set out what that view is, and my reasons for reaching it and not to present a point-by-point response to everything Mr A has submitted. We are an informal dispute resolution service and operate on an inquisitorial, not adversarial basis.

I should first clarify that I can't consider anything about Mr A's fixed odds account with Spreadex as this isn't regulated by the Financial Conduct Authority ('FCA') and so is not a regulated activity. As it is not a regulated activity, then I don't have any jurisdiction to consider any complaint about it and any decision I made wouldn't be binding.

Also, Mr A has stated that he was able to open an account with a spreadbetting firm linked to Spreadex. But in this decision I am only considering Mr A's complaint about Spreadex. So, to be clear, this decision is limited to Mr A's complaint about his spreadbetting account with Spreadex.

Likewise, as I can't consider any complaint points about Mr A's fixed odds account – because I don't have the power to do so – I won't be considering Mr A's complaint point about being able to transfer funds between his spreadbetting account and fixed odds account thereby bypassing the deposit limit he may have set on his fixed odds account. But regarding the spreadbetting account itself there are no limits to the amounts that can either be deposited or withdrawn. So, I don't agree Spreadex has done anything wrong in allowing Mr A deposit in or withdraw from his spreadbetting account.

Mr A has said he shouldn't have been able to open a spreadbetting account as he says he had gambling related restrictions on other accounts. It's clear that Spreadex' default at the account opening stage is that initially only a fixed odds betting account can be opened. This is to prevent a customer opening a spreadbetting account in error. And any upgrade from a fixed odds account to a spreadbetting account would need to be made by the customer. So, Mr A needed to be proactive in opening his spreadbetting account.

CMC says Mr A opened his fixed odds trading account on 18 September 2021 at 12:37 and updated to a spreadbetting account on the same day at 13:01 so at this point Spreadex wouldn't have known of any gambling concerns Mr A has said he had. This is because he was a new customer to Spreadex so it didn't have any prior knowledge of him. Spreadex has said it wasn't informed by Mr A of his gambling concerns until he raised his complaint in 2024. So, I don't think Spreadex did anything wrong in allowing Mr A to open a spreadbetting account after carrying out its due diligence and appropriateness test as it wasn't aware of any 'gambling-related restrictions on other accounts' which Mr A only told Spreadex about later.

Mr A says that Spreadex, throughout his customer relationship, shouldn't have continued to have relied on data it collected about him in 2021 – his annual income information – and it should have updated this. According to the salary information Mr A has provided he earned £26,600 in 2021 which increased to £28,500 in 2024. So, his income had increased over the years. If Spreadex was satisfied with the 2021 figure at the account opening stage – along with his declared savings of £5,000 – then I can't see any increase in his annual income would have altered its decision after Mr A had set up the account.

And until Mr A raised his complaint with Spreadex I can't see it had any concerns about how Mr A managed his account to the extent that it would have caused it to reconsider its decision that such an account was appropriate for him. The deposits he made were in line with the financial information he had declared so Spreadex wouldn't have any reason for a cause for concerns. If it had done, I would have expected it to have reassessed Mr A's circumstances and intervened if necessary but clearly it didn't see the need to do so. But in any event, Spreadex has repaid to Mr A all his deposits totalling £613.64 and the account has been inactive upon Spreadex' receipt of the complaint.

Mr A has asked me to consider Gambling Commission regulations regarding responsible gambling, but the codes of practice and safer gambling and affordability measures are set out by the Gambling Commission. They do not apply to spreadbetting which is an FCA regulated product. So, while I accept Mr A might be frustrated by what he perceives as inconsistency or lack of coherence between the FCA and Gambling Commission, I can only consider the rules that apply to his spreadbetting account and can't look at what the Gambling Commission says as those rules don't apply to spreadbetting accounts.

Spreadex has provided this service and Mr A with statements covering both his fixed odds and spreadbetting accounts. I understand that Mr A wants to see all the transfer of funds between his fixed odds and spreadbetting account which he can do by seeing the debits and corresponding credits on those statements. And I can also see that in response to his Subject Access Request Mr A – amongst other information – received a copy of his spreadbetting account and fixed odds account ledgers. The spreadbetting ledger details all trades, card payments and transfers etc. So, I can't agree Mr A hasn't been provided with the fund transfer information he requested.

Overall, I don't agree that Spreadex has breached any of its regulatory responsibilities in allowing Mr A to open his spreadbetting account. Nor do I think it needed to do more during the customer relationship to update the financial data, and affordability checks it carried out. I can't see there was any reason for it to have done so. And I'm satisfied it provided Mr A with the account data he asked for.

It follows that I don't uphold Mr A's complaint. I appreciate he will be disappointed with the outcome as its clear he feels strongly about it. But I would like to thank him for the time and effort spent in bringing his complaint. And 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 A's complaint about Spreadex Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 October 2025.

Catherine Langley
**Ombudsman**