

## **The complaint**

Mr V complains that XTB Limited (XTB) allowed him to enter trades which were inappropriate for him.

## **What happened**

Mr V has a contract for differences (CFD) trading account with XTB, which he completed an application to open on 6 July 2023. In the course of using this account to place positions on gold Mr V had concerns about the suitability and appropriateness of those trades for him. The matter involving his gold positions have been addressed under another complaint reference at our service, this complaint then is only about whether trading CFDs was suitable or appropriate for him.

XTB was notified by our service in handling his other complaint that he'd grown concerned about the suitability and appropriateness of its services for him. It didn't provide a final response but as it had been aware of the complaint and had an opportunity to provide a final response to Mr V, I can consider this matter.

During our Investigator's review of this complaint XTB provided its position on it. XTB explained in that it thought Mr V exhibited the required experience for CFD trading to be appropriate for him, and it could infer reasonable knowledge from that experience. It also explained it was reasonable for it to rely on the information Mr V told it when he applied for the account.

One of our Investigators looked into Mr V's complaint but didn't think it should be upheld. In his view XTB had fairly concluded that CFD trading was appropriate for him, as he had sufficient knowledge and experience for it. He also noted the firm provided information about its services, including the risks and costs involved, which Mr V had accepted.

XTB didn't respond. Mr V responded only to comment that he didn't think the product could qualify as a CFD, the subject of his other complaint considered by our service.

As an agreement wasn't reached, Mr V'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.

When Mr V applied for his trading account, the relevant rules within COBS 10A required XTB to assess and ensure that trading derivatives was appropriate for him based on his knowledge and experience in that field. I've not seen that XTB gave any personal recommendations or advice to Mr V in its dealing with him and so wouldn't have been obligated to ensure this type of trading, or the positions he traded, were suitable for him, only that derivative trading itself was appropriate for him.

To that end when Mr V opened his account XTB asked him several questions to help it identify trading derivatives was appropriate for him or not.

A summary of the questions and Mr V's answers about his personal and financial situation are as follows:

- Annual Income: £35,000 to £50,000
- Liquid Net Worth: £5,000 to £25,000
- Occupation: Employed – Financial Services
- Source of Funds: Savings
- Anticipated Investment Amount: £2,500 to £5,000

And on his knowledge and experience of investing in the last three years:

- How many months in the last three years he had traded on a non-advised basis: 3 to 5 months.
- The average nominal value of his trades: \$0 to \$499,999.
- The number of leveraged trades in the following asset classes:
  - Forex: 11 to 24
  - Shares: 11 to 24
  - Indices: 0 to 10

XTB didn't ask Mr V questions about his knowledge in this field, explaining to our service that it hadn't done so where it had inferred he had sufficient knowledge from the experience he'd told it about.

In order to assess the appropriateness of trading derivatives for Mr V, the rules required XTB to gather sufficient information about the type of transactions and instruments he was experienced in and the nature, volume and frequency of that experience. Looking at the questions XTB asked him, I'm satisfied it had taken sufficient information to fairly assess that given those asked what would be needed to reasonably determine whether this trading would be appropriate for him.

Mr V's answers, as above, to those questions demonstrate that he had recent relevant experience trading using leverage. I say this because he had declared exposure of trading at least leveraged forex and shares. It's uncertain if he had experience through trading indices given the lowest value is zero in the range he selected, but overall, I'm satisfied his answers demonstrated sufficient experience to trade the instruments Mr V was applying to trade with XTB.

Given Mr V demonstrated that experience, XTB hasn't in my view unfairly concluded that derivative trading was appropriate for Mr V.

While XTB didn't test Mr V's knowledge, I'm satisfied the guidance at COBS 10A.2.8G allows firms to infer such knowledge from experience where it would be reasonable to do so. In my view given Mr V had demonstrated reasonable experience of leveraged trading in his answers to XTB, the firm wouldn't be acting unreasonably by concluding he had gained sufficient knowledge through that experience in these circumstances, and to have taken that into account when it concluded trading derivatives was appropriate for him.

I've also taken into account the rules, at COBS 10A.2.6R, also allow XTB to rely on the information it is provided with when assessing appropriateness, unless its aware, or ought to be aware, the information provided is out of date, inaccurate or incomplete. I've not seen from the evidence available that XTB had any reason to reasonably suspect any such

inaccuracies in the information Mr V gave it. It follows then I'm satisfied it wouldn't be acting unfairly in these circumstances by relying on the information Mr V gave it in his application.

Overall then I think it's likely XTB fairly concluded derivative trading was appropriate for Mr V and had reasonably carried out that assessment. It follows then in my view XTB wouldn't be acting unfairly by accepting his application or by allowing him to open leveraged positions through that account.

### **My final decision**

My final decision is that I don't uphold Mr V's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 12 January 2026.

Ken Roberts  
**Ombudsman**