

## The complaint

Mr S complains to Saxo Capital Markets UK Ltd about the price an options trade was filled at which lost him money.

## What happened

Mr S is a professional client with Saxo. On 7 November 2024, he wanted to close an option trade on an American copper company, that expired later that month. Mr S was short 4 lots of a call option with a \$51 strike. Upon the open, Mr S placed a limit order to buy at \$0.19 but as this wasn't filled, he placed another a minute later. That wasn't filled either, but Mr S tells us this was understandable as he knew options prices can take a while to firm up on the open.

Mr S placed a market order three minutes later and recalls that the market indication remained around \$0.30 to \$0.50 but his order filled at \$7.90. The trade cost Mr S around \$2,000 and he was understandably surprised to have been filled at around twenty times the indicated price. Mr S questioned whether the trade was executed on market and looked to the underlying stock price remaining stable that day, which ought to have been reflected in the options price.

Though he appreciated that \$7.90 may have been the only available price, he likened the situation to trying to buy a share for \$10 but it executing at \$200. If this were to happen regularly, clients wouldn't be able to trust their brokers. He thought Saxo ought to have done either of three things – rejected this price, have indicated the executable price or contacted him.

Mr S made a complaint and Saxo sent him their final response in December 2024. They said, in summary, his market order hit the top of the book, with the only price anyone in the market was willing to sell that particular option at being \$7.90. They pointed to the inherent risk of market orders where liquidity is thin and said that had Mr S have placed another limit order with a higher limit, the order potentially could have got a lower fill. They also said Mr S had subscribed to live pricing, so the offers were something he could have seen at the time.

Mr S didn't agree – he shared screenshots showing the options chain that day and the bid and ask of the 51 calls at \$0.40 to \$0.44 and questioned how \$7.90 could possibly have been a market trade. Mr S asked our service for help and one of our investigators had a look at what'd happened. Having done so, he didn't agree Saxo had done anything wrong – he'd reviewed the pricing data from the time and thought the trade had been executed correctly.

Mr S asked the investigator what he might say about a hypothetical situation where an investor wants to spend £100,000 on 1,000 shares trading at £100 each, but it executes at £2,000 a share, costing the investor £2,000,000. He also asked whether our investigator thought that if an investor chose a market order instead of a limit order, whether a firm had no duty of care. Our investigator discussed the example and explained how our service considers issues relating to different order types, along with the nature of the execution-only account.

Mr S remained unhappy – he highlighted that his key concerns were Saxo’s live pricing being misleading and their failure to ensure best execution. He questioned the lack of a warning mechanism for this situation and the lack of safeguards. As an agreement wasn’t reached, the case was passed to me to reconsider.

### **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.

Mr S is an experienced trader, so I won’t quote order execution policies or labour the point of the various order types firms like Saxo take. I appreciate Mr S knows a market order is an instruction to buy or sell an instrument immediately at the best available price in the market and that in contrast to the limit order he first tried to place, the market order does not guarantee the trade will be executed at a specific predetermined price. That is not what he questions here. His point instead is one around duty of care, or general reasonableness, that while a quoted price might be an accurate reflection of the market at the point at which the order is placed, if it is so far from what the client expects, it surely can’t be right to fill it.

I take Mr S’ point here – the price he received was twenty times more than what he expected and I entirely understand his frustration. But I don’t agree it means Saxo did something wrong. Mr S placed a market instruction, and it was executed. Having checked pricing data, I can see \$7.90 was offered at the time. Though perhaps a rather wild offer, it was a true one, probably put out there speculatively on the open should anyone wish to take it up. And a market order did just that. Crucially, at the moment Mr S placed his trade, there were no lower offers in the market.

In terms of overlaying a duty of care or some sort of reasonableness here, I don’t have much to add from what our investigator said. There is not a mechanism for Saxo to be interfering with Mr S’ trades in this way. Quite simply, Saxo received an instruction and acted on it. Though in this instance, introducing some human or system judgement might’ve helped and stopped the trade, in other occasions, such an intervention would introduce an element of delay, even if brief, which might have disadvantaged a client. This is also an execution-only account, so no one at Saxo is there to interfere with Mr S’ instructions.

Mr S shared a document with Saxo summarising the underlying instrument’s price that day of 48.20 to 49.20 along with the options chain with a price at 48.71 – his 51 calls were trading at \$0.40 to \$0.44. But this screenshot was around an hour and a half later, after the market open volatility. So I can’t say it shows Saxo did anything wrong. Instead, it still comes back to the point that Mr S placed a market order which was filled at the time. I can see that in the minute before Mr S traded, the offers were either \$7.90 or \$10 – this was something he ought to have been able to see as he had signed up for live pricing just over a month before the trade problem. If he had issues with its reliability, I’d have expected him to have flagged it beforehand.

I do sympathise with Mr S’ situation as I can see he’s lost a lot of money here. But from everything I’ve seen and for the reasons I’ve explained above, I think what happened, while unfortunate, was solely down to Mr S’ decision to place a market order while he knew the market was firming up on the open. He instructed Saxo to buy this instrument at the best available price in the market. Saxo did precisely that, and so I don’t think it would be fair or reasonable to hold them responsible or make them pay for Mr S’ unfortunate losses.

### **My final decision**

For the reasons given above, I don’t uphold Mr S’ complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 March 2026.

Aimee Stanton  
**Ombudsman**