

The complaint

Mr T complains about the decision VPR Safe Financial Group Ltd trading as Alvexo took to exit the UK market. He says this was contrary to the strategy it had encouraged him to adopt which was long term and that its decision gave him insufficient time to manage his open positions. He claims Alvexo ought to compensate him for the losses he sustained on the account.

What happened

Mr T opened his account with Alvexo in 2021 and traded until November 2022 when he closed the remainder of his trades – this was due to Alvexo notifying him in September 2022 that it would be exiting the UK market by the end of the year. As part of this notification, Alvexo told Mr T that his account would be put on close only from 31 October 2022 and all open positions would be automatically closed on 31 December 2022. Mr T claims that he closed the majority of his positions, realising a significant loss, in early October 2022 when he lost faith in Alvexo.

Mr T withdrew his remaining balance of just over £49,000 in January 2023 and complained. He complained, in short, that Alvexo had never intended to keep a long-term presence in the UK and had deliberately exited the UK at a time when it would cause him maximum losses.

He said the losses he incurred would never have happened but for Alvexo's decisions. He also complained that the UK firm that Alvexo had indicated he could transfer his account to was a "clone" firm and that it didn't make clear that the transfer would involve the closure of open positions.

Alvexo looked into Mr T's concerns, but didn't think it had done anything wrong.

It explained the reasons behind the decision to exit the UK market and explained that it had acted in line with the terms of the account and industry good practice. It offered to extend the timeline for making his account close-only to 30 November 2022.

Mr T remained unhappy and referred two complaints to this service. The complaint I'm dealing with here is to do with Mr T's concerns around Alvexo's communications and decision to exit the UK market. A separate complaint, subject of another decision, is about his concerns about how his account was opened, the advice he says he received from Alvexo during the time he traded with it and the encouragement he received to continue investing more funds.

One of our investigators looked into this complaint, but concluded that Alvexo hadn't done anything wrong. In summary, he explained the reasons behind Alvexo's decision to exit the UK market and didn't agree that its categorisation that this was a "strategic decision" was misleading. He considered that the three month period Mr T had to manage his open trades was fair and reasonable and therefore concluded that Mr T's decision to close his trades in early October wasn't something he could hold Alvexo responsible for.

Mr T didn't agree with the investigator. In summary he said:

- He was not aware of the technical details surrounding the TPR licencing arrangement that Alvexo had with the FCA – he was only aware that Alvexo was regulated by the FCA at the relevant time he had an account with it.
- He was assured by Alvexo that putting funds in his Alvexo account was as safe as placing them in a bank account. If he had known that Alvexo could simply relinquish its FCA authorisation at a “moment’s notice” he wouldn’t have invested with it.
- It wasn’t fair for Alvexo to have reassured him and allowed him to commit substantial funds for long term-trading and the comparison they used with UK banks was misleading. Mr T said Alvexo had buried its TPR arrangements to give him a false sense of security and to “entrap” him into investing on its platform.
- He said the crux of his complaint was that Alvexo instigated him to use the platform for long-term trading strategy and this was misleading since the company had no long-term plan to remain in the UK. He said his account manager had even told him that Alvexo had been planning to apply for banking status in the UK.
- Alvexo adopted an entrapment strategy whereby staff “constantly pestered” him into taking long-term trading positions and to open special accounts for particular trades such as Amazon and energy instruments where positions could be kept for the very long term without daily monitoring.
- He said that as part of this “grooming exercise” Alvexo would refer him to the performance of certain stocks and commodities on a yearly basis to demonstrate how under-priced those items were and suggest the “inevitability of exponential rise in the distant future”.
- He said Alvexo was breaching FCA rules by giving him advice on trading strategies and instigating him to invest more and more money. Furthermore, he said that Alvexo should be accountable for his losses arising from its sudden exit from the TPR regime, since it had encouraged him to adopt a long-term trading strategy.
- Alvexo didn’t give him enough time to manage his trades when it notified him of his exit from the UK. Further, Mr T said that that I should infer that Alvexo was being disingenuous “throughout its dealings” and I should take into account its “unsavoury relationship” with the regulated firm it suggested clients could move their accounts to.

I issued a provisional decision explaining why I agreed with the investigator that Mr T’s complaint shouldn’t be upheld. In it I said:

“I should start by saying that it isn’t in dispute that at all material times, Mr T was in control of his account and of his funds. In other words, his money with Alvexo, as far as I can see, was safe. He wasn’t denied access to it, or access to his trades, nor was he denied any withdrawals when he decided to make some. I think this is important because some of Mr T’s comments suggest his funds weren’t safe with Alvexo by virtue of its temporary permissions, but I’ve not seen any evidence of this. For all intents and purposes and at all relevant times, Alvexo was authorised by the FCA to provide investment services to Mr T – and Mr T benefited from all relevant protections afforded to retail clients.

Naturally this is not the same as saying his funds were safe from capital losses – but those losses were an inherent risk of the trading Mr T was carrying out. Furthermore, that risk was something Mr T was aware of, notified of and accepted, so here too, I’m not persuaded Alvexo’s temporary permissions make any difference.

I now turn to the issue of Alvexo's temporary permission arrangement. I acknowledge that Mr T wasn't fully aware of what this meant – and I presume, this includes the fact that Alvexo's ability to gain permanent authorisation might not be a foregone conclusion. So I can understand that Alvexo's communication at the end of September 2022 came as a shock to him.

That said, page 1 of the terms and conditions of his account show that Alvexo was a Cypriot company and define Alvexo as a "Cyprus Investment Firm" regulated by the Cyprus Securities and Exchange Commission. So whilst I can accept that Mr T may not have necessarily assumed that Alvexo might withdraw from the UK market in the short term, I think he knew enough about Alvexo to know that it wasn't a UK based firm – it was for him to decide whether investing so much money with a firm that was domiciled and regulated abroad was acceptable to him. In my view, the possibility of the firm exiting the UK market was not entirely unforeseeable.

Mr T has said that the crux of his complaint is that Alvexo encouraged or advised him to take long-term positions, even though it did not have long term ambitions in the UK – and possibly continued to encourage him to invest in the long term when it already knew it was going to exit the UK market. I deal with the issue of Alvexo's communications with Mr T in my other decision. However, broadly speaking, I accept that Alvexo encouraged Mr T to deposit funds – although I've seen insufficient evidence about Mr T being "groomed" to invest over a long-term horizon of years instead of months.

However, even if Alvexo's communications had the effect of encouraging Mr T to open long-term positions, my view is that Mr T had enough knowledge and experience to understand that, generally speaking, CFDs are not intended to be traded in this way.

The CFD Stocks "Key Information Document" which Mr T was required to read before investing specifically says:

"HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?"

CFDs are intended for short term trading, in some cases intraday and are generally not suitable for long-term investments."

Mr T had already traded before, so I think between his previous experience, his own knowledge and the information he was given when the account was opened, he knew that the positions he was opening could change in a very short timeframe and that he'd need to manage his account on a short-term basis – even if he decided to keep certain positions open for longer. So I'm not persuaded that Mr T's strategy could be entirely reliant on keeping a position open for months or years.

This then brings me to Mr T's main claim for financial loss – his decision to close the majority of his trades in October 2022. Trades that Mr T says he had opened with a long-term view, following Alvexo's frequent phone calls with him.

Mr T has asked for some detailed explanations around Alvexo's decision to exit the UK market. However, I'm not persuaded any of that information is key to resolving this complaint. It isn't for me to interfere with legitimate commercial decisions that businesses might make about which markets they operate in or which countries they wish to be regulated in. Alvexo made the decision to exit the UK market, and it was entitled to do this. I note that it made this decision over a year after Mr T opened his account with it. Alvexo and the investigator have given Mr T more information about why this decision was made – whilst I note that Mr T remains unconvinced, I don't have anything to add to those explanations.

The fact is, Alvexo was entitled to make that decision and the question for me to decide is whether it gave effect to that decision in a way that was fair and reasonable. I would add that Mr T's account managers would likely not have been aware of what conversations Alvexo was having at a high level with the FCA and thus it is not surprising that they continued to actively support his trading until the announcement was made. So even if there was some evidence that showed Alvexo, at a high level, had already decided to exit the UK market whilst Mr T was communicating with his account manager, I'm not persuaded that would lead me to conclude Alvexo is responsible for Mr T's losses.

The key question for me is therefore whether Alvexo gave Mr T sufficient time to manage his risk before it automatically closed his trades. Alvexo announced to Mr T on 30 September 2022 that it would be exiting the UK market. It gave him one month of uninterrupted and unchanged trading access, and two months where he'd be able to close positions but not open them. In total, Mr T was given three months before his positions would automatically be closed.

In my view, this was more than sufficient time for Mr T to mitigate the financial consequences of Alvexo's decision. During this time Mr T had options available to him:

- During that first month he had uninterrupted access, so could decide which trades to open or close according to his strategy. Furthermore, if there were trades he wanted to open as part of this strategy, he could have opened an account with another broker and simply opened those trades there, in anticipation of Alvexo's move away from the UK.*
- He could choose, within that 3 month period, which trades to close and at prices he deemed acceptable.*
- At the same time, he could open an account with another broker and reopen any long term closed trades, thus mitigating the long-term financial impact these closures would have. If the brief time out of the market had caused him some losses, he could've potentially claimed for those.*

It seems to me that Mr T chose the second option and decided to close the majority of his trades in early October 2022 – almost two months before the deadline.

Pausing here, it's important to note that the closure of these positions in October didn't cause Mr T any specific loss – it realised the losses he was already sustaining on his account. In other words, Mr T could have reopened the same trades with another broker, with the same equity, and there would have been no additional financial impact from Alvexo's exit from the UK. As I've mentioned above, he could've done this over a period of three months, thereby staggering or mitigating the immediate financial impact of Alvexo's announcement.

So in my view, there are no grounds for asking Alvexo to compensate Mr T – he already had unrealised losses on his account before October 2022 which were due to the direction of the trades he placed and the movement of the market. When he chose to close those trades, he simply realised this loss – and for reasons I've given above, he could've taken steps to mitigate this loss or otherwise reopen those trades elsewhere, thereby putting him in the same financial position. To ask Alvexo to compensate him for those financial losses would be to put Mr T in a better position than he otherwise would have been.

Furthermore in October 2022, Alvexo wrote to Mr T and explained that he could transfer his account to a different firm – regulated by the FCA. Mr T has at times mentioned an "unsavoury" relationship between Alvexo and this other firm, largely based on his belief that

this was a “clone” firm of Alvexo. I’m not going to make any findings about this, but I note that this other firm was regulated by the FCA at the relevant time and therefore had permission, by the FCA, to carry on the relevant regulated activity. I’m therefore satisfied that whatever relationship there was between the two firms, Mr T would’ve been afforded all the usual protections afforded to retail clients had he transferred his account over to it. Mr T, however, chose not to – and so there was no impact from Alvexo’s recommendation to transfer to this firm.

Finally, I’m not persuaded Mr T was the victim of an “entrapment” strategy by Alvexo, nor that its behaviour was tantamount to coercion or, as Mr T describes it, grooming. Mr T was under no obligation to speak to Alvexo or discuss its market assessments with it. But in the calls I heard, Mr T was often keen and happy to listen to what Alvexo had to say about the markets or news developments and conversations were often cordial and interactive. I’m not persuaded the evidence shows that Mr T was “pestered” or otherwise harassed into taking calls from Alvexo when he had no interest. But even if I was wrong on that, it’s clear that Alvexo never told Mr T that he was required to deposit money nor did it ever mislead him into doing so. Mr T made the decisions to invest more money based on his own assessment of whether he wanted to place further trades in the hope of future profits – those were his assessments to make.

For all these reasons, I’m not persuaded Alvexo ought to pay Mr T any compensation or ought to bear any responsibility for the losses he suffered at the end of 2022 when he decided to close his open trades.

In my view Mr T’s losses were caused by market movements – and whilst I appreciate his decision to close his trades in October 2022 was driven by Alvexo’s announcement, Mr T had ample time to close his trades and mitigate the impact of that announcement on his account.”

Mr T didn’t agree with my provisional decision and provided detailed comments.

- He claimed I had failed to formally acknowledge a series of wrongdoings and failed to draw adverse inferences from some of Alvexo’s conduct. In particular, he said I had failed to acknowledge Alvexo’s tampering of the audio evidence, the fact that Alvexo had violated FOS rules by providing altered evidence and the fact that it had contravened FCA principles by withholding some telephone calls.
- My approach raised concerns about procedural fairness because I failed to demand full disclosure of all telephone recordings and failed to investigate Alvexo’s decision-making process when it decided exit the Temporary Permissions Regime. I also didn’t acknowledge or examine the manipulation of evidence and I also failed to consider the circumstances of other “elite clients”. As a result, I have inadvertently endorsed Alvexo’s wrongdoings and diminished his right to a fair hearing. Mr T said that I was required to assess the integrity of the evidence given that the firm had a “vested interest in concealing material facts”.
- I was wrong to say that Mr T’s money was safe with Alvexo. Further, I had overlooked the fact that Mr T would never have entered into the trades he did had he known in advance of Alvexo’s decision to exit the UK market.
- It was unreasonable and unfair for me to not to have investigated Alvexo’s decision-making in exiting the UK market in more detail. He claims its decision was central to his complaint and impacts whether Alvexo misled him with its claim of long-term commitment to the UK market.

- Mr T then gave examples in my decision of whether I had used “rhetorical questions” to mis-frame his complaint and “shift focus away from Alvexo’s misconduct”.
- He claimed I had failed to note the distinction between “unrealised losses” and “actual losses” and claims I had unreasonably assumed those losses were inevitable. He said he closed those trades because he lost trust in Alvexo due to its misleading conduct. He claimed that if Alvexo was secretly planning to exit the UK market while encouraging him to trade long term, there would be “grounds for liability”.
- He disagreed that the time he had to manage his risk was relevant, and claimed instead that it was about whether he would’ve entered into those trades had he known the truth. He also claimed I was wrong to conclude there was no grooming or manipulation, and should’ve queried why, if that were true, did Alvexo provide an incomplete set of evidence.

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.

I’d like to thank Mr T for the detailed comments he has made – I’d like to confirm that whilst I’ve only summarised them above, I have read all the points he has submitted. I understand he profoundly disagrees with my provisional findings. However, having carefully considered the file and everything he has said again, I’m not minded to change my provisional findings.

I would also like to confirm that, while I’ve considered everything he has said in response to my provisional decision, I will not be responding point by point. My role is to focus on the key issues in the complaint in order to determine what is fair and reasonable in the circumstances.

This service is an informal dispute resolution service, set up to resolve complaints with the minimum of formality. The powers that allow me to look at complaints are set out in the Dispute Resolution section of the FCA’s Handbook. In relation to the absence of evidence, the power to take into account the failure to provide evidence is set out in DISP 3.5.9R(3):

“The ombudsman may:

(3) reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested”

As I explained in my provisional decision, my role, in this case, was to focus on the complaint Mr T made and the losses he is claiming for – and decide, on the balance of probabilities, whether it would be fair and reasonable to conclude that those losses were caused by something Alvexo did or didn’t do. In doing so, I necessarily took into account the fact that some calls were missing and carefully considered Mr T’s submissions about those calls and what he says they would’ve showed.

But I also explained in my provisional decision why it wasn’t reasonable for Mr T to have been trading on the basis of keeping those trades for months or years. Mr T knew about the short-term nature of trading CFDs, and the terms and conditions of the account specifically made reference to this and that they were not “suitable for long-term investments”. And I explained why Mr T could’ve mitigated any perceived losses by taking a number of different actions once he was told about Alvexo’s decision – actions that he had ample time to take.

Mr T has not explained why, for example, he didn’t choose to reopen those trades elsewhere

– this is something that would've allowed him to continue to pursue his long-term strategy with another broker. He has claimed he lost trust in Alvexo and for that reason closed his trades – but given that Alvexo was due to end its relationship with him anyway due to its move away from the UK market, I'm not persuaded that it was reasonable for him to take such drastic action given the options he had available. His loss of trust in Alvexo doesn't explain why he didn't opt to open trades elsewhere.

Mr T claims I've not distinguished between actual loss and unrealised losses, and claims that it was Alvexo's "deceptive conduct" that caused him the losses, not the market. But that's not the case. Whether actual or realised, those positions were not profitable for Mr T at that moment in time. What may have happened to them in the future was not known to him at that time.

The key issue is that Alvexo didn't cause that loss – the trades Mr T opened and the direction of the market did. Mr T's decision to close those trades realised those losses – but as I've already explained, he didn't have to, Alvexo didn't force him to or tell him to. As I said in my provisional decision, he had a number of options available to him which would've mitigated those losses. Given the 3 months time frame he had to take mitigating action, I'm not persuaded Alvexo's decision to exit the UK market meant that he had to close them at that time, nor that it was reasonable for him to do so, for all the reasons I've explained. I've seen insufficient evidence to persuade me that three months was an insufficient time frame for Mr T to manage the risk to his positions. Mr T himself has explained that he would've avoided substantial losses had he kept his trades open until November or later – that shows his losses were trading losses and not something Alvexo could be held responsible for.

Furthermore, it was Mr T's decision to open an account with a firm regulated in another country – this was clear from the terms. And the decision to exit the UK market wasn't taken shortly after he opened his account – it was taken over a year later. Mr T has had at various points suggested this decision was taken as a result of the level of profits he was making – but I've seen insufficient evidence to persuade me that this is the reason why Alvexo took the decision that it did. As I've said, it couldn't know when Mr T would choose to close his trades and, consequently, couldn't know whether he'd eventually realise a profit or not.

Mr T disagrees with Alvexo's explanations about why it chose to take this step – but I remain of the view that this was a decision it was entitled to make and, given the way it gave effect to this decision, it treated Mr T fairly by allowing him 3 months to manage his account as well as the option of a transfer to another FCA regulated broker. I've seen sufficient evidence to conclude that Alvexo's decision to exit the UK market was prompted by its conversations with the FCA.

Mr T has said he would never have traded with Alvexo if he had known that it would exit the UK market at some point in the future. But I've seen insufficient evidence to persuade me that Alvexo's decision all along was to on-board clients with a view to exiting the market.

I was persuaded by Alvexo's submissions about the investment it deployed initially and the very fact that it sought permanent authorisation from the FCA – this all happened around the time that Mr T opened his account.

I'm satisfied this shows that Alvexo had an interest in gaining FCA authorisation, or else these aren't steps it would've taken.

I'm not persuaded it's credible that it did all this so that it could dupe some of its clients, like Mr T – particularly since it couldn't possibly know in advance which clients would be profitable or not. As Mr T said in his submissions, at some stage he was seeing profits of £200,000.

The fact that it took over a year for Alvexo to make this decision in my view supports the fact that at the time Mr T opened his account with Alvexo, no decision had been made to exit the UK market.

In relation to all the other issues Mr T has raised, I'm sorry to say that I'm not persuaded they are material. My role is to determine the case based on the evidence available – it is a key function of the service that it relies on the evidence submitted by the parties. I've noted Mr T's claims that some evidence was withheld or altered – as I've said, I've taken into account that some calls are missing and I've considered Mr T's submissions about those calls and what he claims they show. But I've also taken into account the great volume of evidence that *is* available. None of that evidence supports Mr T's complaint that he was groomed or misled in any way. None of the calls I've considered, including those around times of loss or where Mr T needed to add more margin, made reference to previous advice. None of the contemporaneous evidence, such as Mr T's emails to Alvexo at various points, suggests that Mr T was ever coerced, misled or otherwise duped into investing or depositing more money.

I'm satisfied Mr T chose, for himself and based on his own investment considerations, when to deposit and when to invest. Furthermore, the many calls I do have clearly showed Mr T's interest in the trades he was placing, his knowledge of the market and the key news or developments that might affect his trades. None of this points to an unwilling participant or a consumer who was trapped by a firm into trading when he didn't want to. The evidence I've seen clearly shows that Mr T was fully in control of his account and his trading decisions, was involved in the conversations about which trades to place and how much to deposit, and decided for himself what to do and when. Mr T's submissions make it clear that he was carefully managing his trades himself – for example by closing some when going on holiday, or choosing to keep others open at times of loss, or by ensuring he always had sufficient margin. It's clear from Mr T's submissions that he was actively engaged in managing his account and managing his risk and used his considerable knowledge to do so with success.

I acknowledge that Mr T thinks that those calls that are missing are the ones that prove his complaint – and he claims that since Alvexo hasn't explained why it can't provide those calls, I should simply conclude that those calls corroborate what Mr T claims. But I'm not persuaded it's fair and reasonable to conclude that and ignore all the calls and evidence I do have available. I've weighed up Mr T's submissions, the evidence available (including the calls I have, emails between the parties, Mr T's trading history and conduct) and the evidence that wasn't provided and concluded, on balance, that Mr T's trading losses were caused by market movements which Alvexo had nothing to do with.

I acknowledge Mr T's decision-making and why he chose to close the trades when he did, but even in doing so, there were actions he could've taken that would've allowed him to continue to keep those trades in pursuit of the long-term strategy he says he was deprived of. For these reasons, and those that I gave in my provisional decision and that I confirm here as final, I don't uphold Mr T's complaint.

I acknowledge Mr T's strength of feeling on his complaint. If Mr T doesn't accept this final decision, it won't be legally binding and he will be free to pursue the matter in other ways.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 December 2025.

Alessandro Pulzone
Ombudsman