

The complaint

Mr T complains that Plus500 closed his position following a margin call and later closed his account. He says he does not fully understand how the loss is the amount that it is.

What happened

Mr T opened a trading account with Plus500 in 2024. He had traded CFDs previously and was familiar with setting stop-losses to manage his risk. In this instance, he opened a position but inadvertently forgot to set a stop-loss. Overnight the market moved against him and the loss on his position increased.

When he logged in, he saw that his position had been closed during the night under Plus500's automatic margin mechanism. He believed this was a mistake because he thought there was still sufficient margin in his account. He also believed the spread had widened unreasonably. He contacted Plus500 to challenge the closure, but it did not agree that it had made an error.

Several days later Plus500 informed him it would be closing his account. The email did not provide a reason why, but it did give Mr T 14 days' notice period in line with the user agreement Mr T has agreed to when opening the account.

Unhappy with the situation, Mr T referred the matter to this service. An investigator looked into the complaint and concluded that Plus500 had acted in line with its terms and regulatory obligations. The investigator found that the position had been closed because Mr T's equity had fallen below the relevant margin threshold, and that Plus500 was entitled under the agreement to close his account by giving notice. The investigator did not uphold the complaint.

As Mr T did not agree, so the matter has come to me for a final decision.

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.

Having done so, I've reached the same conclusion as the investigator and broadly for the same reasons. I'll explain why.

Margin call

I have first looked at the margin call, as this was the event that caused the loss at the heart of Mr T's complaint. Derivatives are leveraged products and require customers to maintain a minimum margin to keep positions open. If the value of a customer's equity falls below the level set out in the provider's terms, the provider is entitled to close the position to prevent further losses.

When Mr T opened an account with Plus500, he agreed to its user agreement. Clause 14.1 states that it may:

“If the prices quoted on the Trading Platform change such that the total Difference payable by you pursuant to all of your open Transactions equals or exceeds the total Maintenance Margin for all such Transactions, or the amount in your Trading Account is equal to or less than the total Maintenance Margin for all of your open Transaction(s), you acknowledge that we have the right, to immediately close or partially close any and all of your open Transactions whether at a loss or a profit and liquidate your Trading Account.”

In practice this means that when equity falls to 50% of the required margin, the platform may act to protect both the customer and itself from further losses by automatically closing positions.

The records show that as the market moved downwards overnight, the loss on Mr T's position increased and his equity fell beneath the 50% margin threshold. When this happened, the position was automatically closed by the platform. I have not seen any evidence that suggests Plus500 made an error nor that it acted outside its terms of agreement.

I understand why Mr T was distressed. He is used to managing his exposure with stop-losses and believed there was sufficient margin to keep the position open. Although he initially received an incorrect explanation from a member of staff, this was quickly corrected and did not affect the calculation. I recognise that Mr T was used to having stop-losses in place and that forgetting to set one created a situation he did not expect. But in line with clause 14.2 of the agreement says:

“Any open position is deemed to be at risk of being closed as soon as the account enters into a Margin Call and the Equity falls below the required Maintenance Margin of your account. It is your responsibility to monitor, at all times, the funds available in your Trading Account to cover any Margin required as a result of your trading decisions.”

So, it was Mr T's responsibility to maintain the margin, and he was on notice that if he didn't, any and all his positions could be closed. As such, I am further satisfied it was fair for Plus500 to rely on the clause above and close the position in line with the agreement.

Account closure

I have next considered the closure of Mr T's account. The relevant clause (22.6) of the user agreement states:

“We shall be entitled to immediately terminate the Client Agreement, with or without cause, acting reasonably by providing you with written notice... Any open positions should be closed by you... after which we reserve the right to close such Transactions on your behalf... before permanently closing your Trading Account.”

This gives the Plus500 discretion to end the relationship, provided it gives notice. I accept that the email Mr T received felt abrupt and did not explain the firm's reasoning, but my role is to decide whether the action was unfair or outside the terms of the agreement. In this case, the agreement does not require Plus500 to provide a detailed explanation or justification. It may decide it no longer wish to provide services to a customer, just as customers may choose to leave at any time.

Notwithstanding the terms, I also think it's a fair and reasonable amount of time to make other arrangements such as opening an account elsewhere or, transferring positions – and

I'm satisfied Plus500 acted within clause 22.6 by giving 14 days written notice and managing the closure accordingly. I therefore cannot say it acted wrongly in closing the account.

Taking everything into account, I do not think Plus500 acted unfairly.

My final decision

For the reasons I have explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 7 January 2026.

Farzana Miah
Ombudsman