

## The complaint

Mr S has complained that Plus500UK Ltd ('Plus500') unjustly closed his trading account which he says caused him to suffer a significant financial loss of around £180,000. Mr S' already poor health suffered as a result, and he believes Plus500 failed to adhere to the regulator's standards.

## What happened

Mr S had an only execution only Contracts for Difference ('CFD') trading account with Plus500 since 2020. In October 2024, after carrying out payment verification, Plus500 informed Mr S it would be closing his account after 14 days. Mr S wasn't happy and raised a complaint.

Plus500 didn't uphold the complaint and said it was entitled to close Mr S' account in line with its User Agreement which Mr S had agreed to be legally bound by upon registration with Plus500. It didn't have to give Mr S a reason for its decision.

Mr S' account was closed after Plus500 had responded to his complaint on 27 November 2024 and £583.63 was sent to Mr S' payment account. In the meantime, his remaining 34 open positions had been closed due to margin call.

Mr S continued to correspond with Plus500 who updated its response to say it previously hadn't been aware of any health-related vulnerabilities. As it was a non-face to face business the regulations allowed for Plus500 to rely on information provided by its customers.

Unhappy with the outcome Mr S brought his complaint to this service. Our investigator who considered the complaint didn't think it should be upheld. He said;

- Plus500 had acted within its User Agreement in both contacting Mr S for payment verification and terminating his account. It wasn't under any obligation to give its reasons for doing so.
- It also acted within its User Agreement when Mr S' open positions were closed due to lack of margin call because of insufficient funding which was Mr S' responsibility to provide if positions were to remain open.
- With regard to Mr S' vulnerabilities, Plus500 could rely on information Mr S provided in line with the regulator's rules and Mr S also had an obligation to keep it informed about any changes in his circumstances. There was no evidence he had made Plus500 aware of any vulnerabilities.

Mr S didn't agree. He said the User Agreement couldn't override the regulator's Principles or Conduct of Business rules, and it was obliged to let him know why his account was closed. Plus500 had failed to recognise his financial and health vulnerabilities. The investigator hadn't taken into account his trading strategy and the 14-day closure window was unreasonable as it didn't give him time to manage his positions. Consideration hadn't been given to Consumer Duty rules.

The investigator responded to Mr S' complaint about his vulnerabilities not being identified;

- He couldn't see Plus500 had been made aware of these until after it had already issued its termination notice.
- Plus500 had an obligation in place for customers who traded in high risk financial positions and he was satisfied Plus500 had stepped in to protect Mr S.
- He was also satisfied that if Plus500 had been made aware of the vulnerabilities sooner it would have acted the same and closed the account.
- It was the account closure that crystallised the losses, but Plus500 prevented Mr S from experiencing further unsustainable losses.
- Any projected profits Mr S said he was going to achieve was only a prediction.

Mr S wasn't satisfied the investigator had considered all the rules that applied. He said he had submitted evidence of financial vulnerability and Plus500 didn't respond to him while the harm to his account was escalated. His trades were nearing recovery when his account was closed, and it was closed on incomplete information. He was prevented from recovering losses and his account that was about to become profitable was eliminated. He says Plus500 breached the regulator's Principles, rules and Consumer Duty.

As the complaint remains unresolved, it has been passed to me for decision in my role as ombudsman.

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

I'm aware I've set out the background to this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every point made by the parties involved. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

And as already referred to in the above summary, Mr S has complained that Plus500 breached some of the regulator's rules, Principles and Consumer Duty. These have a wide application, and I have therefore considered all of Mr S' points about the firm's regulatory obligations when deciding what is a fair and reasonable outcome to the complaint.

I'd like to take this opportunity to explain that I fully understand Mr S' strength of feeling about his complaint, and I sympathise with the financial impact his trading losses with Plus500 have had on him and are likely still having on him. However, when looking at the circumstances surrounding Mr S' complaint, my role is to be impartial and consider what's fair and reasonable. This means taking into account Plus500's role, its obligations as set out by the Financial Conduct Authority ('FCA'), but also the nature of the service it offered which involve a high-risk form of trading.

## Appropriateness

I've first considered whether Plus500 should have allowed Mr S to open a CFD trading account in the first instance particularly bearing in mind Mr S' reference to his vulnerabilities. The regulator, the FCA, recognises that CFD's generally aren't suitable for most retail consumers. That's because they're complex in nature and they typically involve a high degree of risk because, more often than not, leverage is involved which as well as magnifying profits, can also magnify losses. So, there's a very real possibility that the consumer could lose all their investment. In light of that, the FCA expects firms offering CFDs to undertake an appropriateness assessment with any consumer wishing to open an account, and that's to ensure that they understand the unique risks that apply to this type of investment. The rules that the regulator expected firms to follow when determining the appropriateness of a CFD account, are set out under the Conduct of Business Sourcebook ('COBS') COBS 10 and I've considered these when looking at Mr I's complaint;

'COBS 10.2 Assessing appropriateness: the obligations

### COBS 10.2.1

(1) When providing a service to which this chapter applies, a firm must ask the client to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded so as to enable the firm to assess whether the service or product envisaged is appropriate for the client.

(2) When assessing appropriateness, a firm must determine whether the client has the necessary experience and knowledge in order to understand the risks involved in relation to the product or service offered or demanded.

### COBS10.2.2

The information regarding a client's knowledge and experience in the investment field includes, to the extent appropriate to the nature of the client, the nature and extent of the service to be provided and the type of product or transaction envisaged, including their complexity and the risks involved, information on:

(1) the types of service, transaction and designated investment with which the client is familiar;

(2) the nature, volume, frequency of the client's transactions in designated investments and the period over which they have been carried out;

(3) the level of education, profession or relevant former profession of the client.'

So Plus500 had to gather relevant information of Mr S' financial situation, knowledge and understanding of investments, his investment experience and to establish if he understood the risks involved in the service and product offered – to decide if it was appropriate for him. This is the 'appropriateness' test. Mr S completed his application online and provided Plus500 with the information it needed. I have to make my decision based on the evidence I have and so I have reviewed the questions Mr S was asked when he opened his account and the responses he gave.

Mr S was employed in 'Property/Construction/Real Estate' and earned '£100,000+' per year. He had savings/investments excluding property of between £20,000 and £50,000 and the primary source of funds for trading was investment income. The 'Approximate amount

available for trading each year that you can afford to risk' was £20,000 to £50,000.

Mr S also answered questions about his investment knowledge and in the past three years he had traded 'more than 100 trades' in CFD/leveraged investments. And the average leverage he used for those trades was between 1:50 – 1:100. He didn't have any professional experience or qualifications that required an understanding of leveraged trading. He anticipated trading on a daily basis and his main trading purpose was hedging of exposure to an underlying asset.

While at the time of account opening there's no evidence that Plus500 sought additional documents to support Mr S' responses to the questions, I don't think any of the above answers would have prompted Plus500 to challenge whether a CFD trading account was appropriate for Mr S. His answers show he had some experience and knowledge of CFD trading and had the financial resources to do so. And Mr S answered 'No' to the question 'Do you have any personal or financial issues that could negatively affect your ability to trade?' I'm satisfied his answers didn't suggest any vulnerabilities. So, I can't see Plus500 was wrong in allowing him to open his account.

And I've also borne in mind that COBS allow Plus500 to rely on the information it was given;

'Reliance on information

COBS 10.2.4

'A firm is entitled to rely on the information provided by a client unless it is aware that the information is manifestly out of date, inaccurate or incomplete.'

I haven't seen anything to suggest that it wouldn't have been fair or reasonable for Plus500 to accept at face value what Mr S told it about himself in the answers he provided during the 'know your client' account opening stages. It was only later when Mr S acted differently than he said he would, by adding more funds than expected to his account, that it was flagged up for review.

### The account closure

Initially, on 24 June 2024 Plus500 messaged Mr S to say it needed to verify his payment methods. It needed the requested verification by 3 July 2024 otherwise trading restrictions could be placed on his account. Mr S provided photographic evidence of his bank card linked to the account used to fund his Plus500 trading account.

Later in the year, on 11 October 2024, Plus500 contacted Mr S again and explained that as an authorised financial institution it was obliged to continually monitor customers' trading accounts and asked for further documents to support Mr S' recent deposits. It said that he had deposited more than anticipated when he applied for his account which was between £20,000 and £50,000 and it asked for his current available funds per year.

Mr S responded to say;

'I can confirm that is my intention to continue to increase my personal income and as such will also reinvest my Plus500 profits and available capital regularly.

My aim is to be invested and have my account with £150000 to £200000 per year as conditions permit it... if beneficial.

If not beneficial I may look and scaling down instead.'

Mr S provided his bank account statements for September and October 2024. In response, on 15 October 2024, Plus500 told Mr S that after examination of his account he would no longer be able to trade. In doing so it referred to Section 22.6 of its User Agreement;

'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 as soon as reasonably practicable and in any event no longer than 14 days after we give Notice, after which we reserve the right to close such Transactions on your behalf, at the last available price, before permanently closing your Trading Account.'

And during the 14 day period, Mr S wouldn't be allowed;

'...to place any new orders or undertake any new transactions. You can, however, fund any margin calls and withdraw funds to source.

Accordingly, we ask you to withdraw all the remaining funds from your account, after that your account will be closed.'

Mr S sought to engage with Plus500, but his account was closed on 27 November 2024 as Plus500 deemed it unreasonable to do so while his complaint was being considered.

I've carefully considered whether Plus500 acted fairly and reasonably in its dealings with Mr S and its subsequent decision to close his account. Plus500 has a regulatory obligation to monitor its customers on an ongoing basis. I understand from Plus500 that as a result of its regular internal monitoring Mr S' account appeared on an internal report because of the large deposits he had made which were more than he stated he was able to in the account opening appropriateness questionnaire.

Plus500 told us it is its duty to make sure clients are depositing within their declared amount particularly where it could cause financial detriment to the client. Because of this it sought proof from Mr S of his wealth/income or, as circumstances can change, to correct the amount he had to trade with. I understand that during 2024 Mr S had deposited £153,395 which exceeded his savings, declared trading amount and potentially his stated salary. So, I don't think it was unreasonable for Plus500 to have sought additional information from Mr S about his financial circumstances to establish the source of the deposits and to ascertain his financial stability.

It was after the examination of Mr S' account, once it had sight of the bank statements, that caused Plus500 to invoke Clause 22.6 of its User Agreement and close his account. It did so because it considered it was acting in Mr S' best interests. This is in line with Principle 6 – Customers' interests; 'A firm must pay due regard to the interests of its customers and treat them fairly.' And after reviewing the evidence Plus500 has provided, I don't think it was being unfair or unreasonable when it decided to close the account. I'm satisfied that it intervened to act in Mr S' best interests.

I know Mr S strongly disagrees with this. He considers it is Plus500's actions that have caused him financial loss and that sight of his financial documents should have caused Plus500 'to engage with or mitigate the impact of their decision.' But I don't think Mr S is right here. It seems logical that it was Plus500's review of Mr S' bank statements alongside his trading account that caused it to close his account. And the request for those statements came about because Mr S had deposited more funds into his account than he originally said he would so Plus500 was carrying out its regulatory duty by seeking more information about the source of the funds and the affordability of them for Mr S. If this resulted in Plus500 having concerns about the affordability of the account for him, I can't see there was an

earlier opportunity for Plus500 to have considered this as it was only upon the provision of those statements that caused it to act, and I haven't seen anything to suggest there was a need for Plus500 to have seen them any earlier on in the relationship.

If Mr S' point is that Plus500 should not have closed his account but engaged with or mitigated the impact of the closure of the account, then I don't agree that would have been a fair or reasonable course of action. I say this because at this point, Plus500 was satisfied there was a cause for concern – that Mr S was financially vulnerable – and its regulatory responsibilities required it to take immediate action, which it did by closing the account. I don't find that an alternative course of action – giving Mr S more time or allowing him to unwind his positions as examples – would have been appropriate. This is because CFDs are inherently high risk and there wouldn't have been any guarantee the losses that resulted would have been lessened if Mr S had been allowed more time. It was just as likely that they would have been worse.

Mr S has said that Plus500 acted on 'manifestly incomplete information' when it reached its decision to close his account. He says it ignored other linked accounts from which funds were deposited to his trading account and the statements he had provided only showed part of the funding picture. That may have been the case, but Plus500 reached its conclusion to close the account based on its review of the bank statements it did see alongside Mr S' trading account. It wasn't under any obligation to seek out further financial evidence of Mr S' overall circumstances. So, I don't agree with Mr S' view that Plus500 breached Principle 2; 'A firm must conduct its business with due skill, care and diligence.' Rather I think it acted in line with Principle 2 as it had sufficient enough concerns after reviewing the bank statements and trading account to cause it to close the account. And in any event, it was within Plus500's right to close an account with or without cause so it didn't need sight of further financial details.

Mr S has detailed his investment strategy – he was a 'long-term position trader' – which he says was carefully planned and financially supported. His trades were going in the direction he had hoped for, and he expected them to be profitable by the end of the year, realising a profit of £500,000. But I think this misses the point as I think it is irrelevant what type of trader Mr S was as it was Plus500's awareness of his financial circumstances that caused the account closure, irrespective of how he managed the account. And any profits Mr S thought he could achieve at the end of the year couldn't be known. Mr S has said 'that figure is not theoretical' but I disagree as the outcome was unknown – these are high risk trades subject to market movements and potentially unexpected external factors – and so it would have been an inappropriate and high-risk approach for Plus500 to have engaged with or allowed Mr S to carry on trading, even if its regulatory obligations allowed it to do so.

Overall, I don't think Plus500 was unfair or unreasonable in its unilateral decision to close the account. It wasn't acting outside of the User Agreement Mr S agreed to when he opened the account, or its regulatory obligations to mitigate harm. I'm satisfied it reached the decision that it did in Mr S' best interests and acted in good faith, irrespective of whether Mr S considered his account would be profitable by the year end. That was just Mr S' own expectation. And while I'm satisfied it was Plus500's priority to protect Mr S from financial hardship, it should also be borne in mind that if Mr S' positions had collapsed there is the potential Mr S wouldn't have been able to finance that and Plus500 would have been left with the debt position.

### Vulnerability

The FCA identifies four types of vulnerability and in Mr S' circumstances I think the two that apply are his health and financial resilience. Mr S says this is evidenced through the documents he provided to Plus500 and during subsequent communication. And he says

once he was told the account would be closed, he was under enormous pressure as his 'entire capital was deployed in a rapidly shifting market.' He was unable to function while his account remained frozen and without explanation and he made Plus500 aware of this, but it remained silent.

Mr S says Plus500 breached the 'FG21/1: Guidance for firms on the fair treatment of vulnerable customers' ('FG21'), which is guidance issued by the FCA for regulated firms. He says Plus500's disregard for this guidance – which requires firms to identify and respond to such needs for vulnerable customers – directly contributed to his financial and emotional harm.

FG21/1 says that staff 'should take steps to encourage disclosure where they see clear indicators of vulnerability (see below) but are not expected to go further than this to proactively identify vulnerability'. It also says firms 'should help frontline staff to understand how to actively listen out for information that could indicate vulnerability and, where relevant, seek information from vulnerable consumers that will allow them to respond to their needs'. Mr S has also referred to 'Firms should be alert to indicators of actual or potential vulnerability throughout the customer journey, including after a problem has occurred.' And 'frontline staff and those making decisions must be trained and empowered to identify vulnerability even after harm has been caused.'

Mr S has provided this service with evidence of his health conditions and its clear these were exacerbated during the time Plus500 advised him of the closure of his account. I am sorry to hear of Mr S' poor health and undoubtedly, he would have been caused considerable distress during this time which would have exacerbated those conditions. But I have to consider what Plus500 knew of Mr S' circumstances during the time the account was being opened and subsequently.

As referred to above, during the account opening process Mr S was asked 'Do you have any personal or financial issues that could negatively affect your ability to trade?' and responded with a 'No'. I haven't seen any evidence that Mr S made Plus500 aware of his health conditions after that period and prior to the account closure and which potentially could have caused it to act differently. And I can't see any indicators that should have led Plus500 to consider whether Mr S was vulnerable because of his health issues.

For the period after notification of the account closure I've looked at the email exchanges that took place once Plus500 had said Mr S would no longer be able to trade. Plus500's emails are in italics;

Email date/time	Message
15.10.24 10:08	<i>Plus500 informs Mr S he will no longer be able to continue trading</i>
15.10.24 10:14	Mr S thinks there's something wrong and asks why his account was being closed and what he had done wrong
15.10.24 12:14	<i>Plus500 thanks Mr S for his query and that it had been transferred to the relevant department</i>
15.10.24 12:23	Mr S wanted to understand what was happening and that it wasn't acceptable
15.10.24 13:04	Mr S asked what department it was being transferred and looked forward to a reply soon
16.10.24 06:42	<i>Plus500 thanked Mr S for his patience while the query was being reviewed and confirmed it could terminate the account without notice</i>
16.10.24 08:03:07	Mr S logged a complaint. His account closure wasn't acceptable, and it was a disgraceful way to treat a client. He was at risk of losing

	everything. He didn't understand how the decision was made and didn't agree with it
16.10.24 08:03:32	<i>Plus500 confirmed the query had been received and a response would be issued as soon as possible</i>
16.10.24 08:23	<i>Plus500 confirmed Mr S' query had been forwarded to its Senior Department for review</i>
16.10.24 08:22	Mr S asked for more time to resolve the issue and asked what he did wrong. He said Plus500 had to accept it was 'derailing my life right now'
16.10.24 08:28	Mr S said he wasn't be treated fairly and not being told why which was unreasonable
16.10.24 19:06	Mr S said his account was perishing but he couldn't commit more funds and was in an impossible situation and wanted to immediately know his options
17.10.24 09:42	Mr S chased for a response and referred to the risk of margin calls as he was in a horrible situation, and he feared the impact on his financial future.
17.10.24 18:16	Mr S hadn't received any response/updates further to recent emails and his account was still restricted and it was close to margin call
18.10.24 11:45	Mr S hadn't received any update further to his emails and the treatment to him was 'like slow torture.'
18.10.24 15:03	Mr S said he held Plus500 responsible for the outcome of its decision to close his account and was disappointed in its treatment of him.
20.10.24 10:59	<i>Plus500 sent a complaint acknowledgement of the complaint received on 19 October. It confirmed the outcome would be provided in writing within eight weeks.</i>
20.10.24 13:04	Mr S thanked Plus500 for the acknowledgement and said he would be sending in a more structured explanation of his complaint.
20.10.24 14:05	Mr S had still not been contacted by the Senior Department and he couldn't operate his account. The 14 day period was punitive and made worse by its lack of response. It was 'cruel and unreasonable behaviour.'
20.10.24 15:11	Mr S said he was told a response would be coming from the Senior Team
20.10.24 17:05	<i>Plus500 acknowledged receipt of Mr S' formal complaint on behalf of the Senior Staff</i>
28.10.24 14:09	Mr S confirmed he hadn't received any response to his previous emails
29.10.24 08:51	<i>Plus500 confirmed the case was still under review and once finished a final response would be issued</i>
07.11.24 10:15	Mr S confirmed he hadn't received a response to his complaint or to his emails
07.11.24 12:17	<i>Plus500 confirmed it was treating Mr S' query as an official complaint and a final response would be issued in due course</i>
27.11.24 12:08	<i>Plus500 confirmed it had sent £583.63 to Mr S' bank account</i>
27.11.24 12:55	<i>B issued its final response to C's complaint</i>
28.11.24 21:58	Mr S is dissatisfied with Plus500's account closure response
28.11.24 23:09	Mr S formally complained about the closure of his account – vulnerability, lack of transparency, exacerbating vulnerability, FCA expectations
29.11.24 22:57	Mr S asked for confirmation of complaint
02.12.24 10:58	Mr S confirmed he had issued a comment on his complaint and had raised a second complaint
02.12.24 12:43	<i>Plus500 confirmed that that it provided its final response to the complaint</i>
03.12.24 12:41	<i>Plus500 provided its 'Final Response Update'</i>

The earliest that I can see Mr S made Plus500 aware of his health conditions was in his

email of 28 November 2024 which wasn't until after the account was closed so I don't think it failed in its duty here. If Mr S had concerns that his health conditions would have impacted his account or been impacted by Plus500's engagement with him since he confirmed during the account opening this wasn't the case, then it was his duty to have informed Plus500 of this. Mr S had agreed to the User Agreement which stated;

'5.2. You agree and undertake to:

5.2.1. provide true, accurate, current and complete Registration Data as prompted by the registration process;

5.2.2. maintain and promptly update the Registration Data to keep it current and complete by emailing any changes through our "Contact Us" page on our Website; and

5.2.3. notify us of any changes to your personal and financial information and/or your financial condition by emailing us through our "Contact Us" page on our Website.'

But I can't see that Mr S made Plus500 aware of his health conditions before the account closure, so, I don't think it would be reasonable to expect Plus500 to have been aware of Mr S' health conditions up until the point he made it aware. And I can't see that any of Mr S' actions would reasonably have indicated to Plus500 they may have been an issue. While its clear Mr S was very upset once the closure notification was given, I'm not persuaded the upset and confusion referred to in his emails or any earlier awareness of his health conditions would have caused Plus500 to have acted differently. I say this because while its clear Mr S' health conditions were made worse during periods of stress, in my opinion, that was caused by his financial vulnerability which is what was addressed by Plus500 when it decided he could no longer trade.

Regarding any financial vulnerability, Mr S has said that despite him providing financial documentation that could have indicated his situation, Plus500 failed to engage with or mitigate the impact of its decision. But I can't see Plus500's awareness of Mr S' financial circumstances – over and above information given when the account was opened during which he reassured it there were no financial issues that could negatively effect his ability to trade – until it requested evidence of his bank statement after his higher-than-expected deposits were flagged up in its ongoing monitoring of its customers' accounts.

Mr S says those bank statements 'showed capital erosion' with which Plus500 appears to have agreed as evidenced by its decision to close his account. And I think it acted on that potential financial vulnerability as soon as it became clear it had cause for concern. So, I'm not persuaded it caused the 'harm'. I think any foreseeable harm – as outlined in Principle 2 'Avoid causing foreseeable harm' – for which it would have been responsible would have materialised if it had allowed Mr S to continue with the account when its own internal decision was that it should be closed. Contrary to Mr S' opinion I'm satisfied Plus500 avoided causing foreseeable harm once it was aware of his financial circumstances.

Mr S has also referred to the fact that Plus500 is a digital business and that 'Firms that operate digitally or without face-to-face interaction must have systems in place to identify vulnerability through behavioural cues, transaction data, and documentation supplied.' But to my mind that is what Plus500 did. It identified Mr S' excessive deposits when compared to those stated during the account opening process and reacted to the documentation supplied – the bank statements – when examined along with the trading account.

For the reasons given, I've seen nothing to suggest that Plus500 acted inappropriately in its

consideration of Mr S' vulnerabilities once it became aware of them or could reasonably have been expected to have been aware of them sooner.

### Post closure

Mr S has complained that after its decision to close his account Plus500 failed to engage with him and only referred to its right to close the account as per the User Agreement. He says that during this time the harm escalated.

As shown in the above table it can be seen that Mr S contacted Plus500 many times but only received updates and similar until he received its response to his complaint. Mr S has raised concerns about the clarity of communications and that Plus500 has breached its obligations. But I don't think that it did. I say this because it was quite clear in Plus500's message of 15 October 2024 that it was going to close the account under the terms of the User Agreement – where it didn't need to give a reason to do so – and gave Mr S 14 days in which to take any action he wished to during the process of that. At the end of that period the account would be closed. So I think Mr S had the opportunity to manage his margin positions during that time if he had wanted to as referred to in the notification.

Mr S then raised a complaint on 19 October 2024 which Plus500 addressed in its final response letter of 27 November 2024 which was within the regulatory time limits of eight weeks of him raising his complaint. I've seen nothing to suggest that Plus500 didn't investigate the complaint competently.

However, it's clear from the emails Mr S sent that he was extremely concerned about his financial position and wanted an outcome soonest. And I appreciate Mr S wanted to know more about why Plus500 was closing his account, but it made clear it was allowed to take such action without giving any reason as per the User Agreement right at the outset. Those terms would equally have applied if Mr S had wanted to close the account, and he agreed to those terms when he opened his account. So, while I appreciate Mr S' frustration as evidenced by his many emails, I don't find that Plus500 has treated him unfairly or outside the terms of the account.

### Fees and charges

Mr S has said there was a conflict of interest in that he paid Plus500 fees of around £70,000 and at the point his trades were set to turn positive the account was closed. He says Plus500 gained financially from closing his account. Principle 8 refers to a conflict of interest and that 'A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.'

But any fees and charges incurred were as a result of Mr S' positions and usual trading on his account. It wasn't unfair of Plus500 to have charged those fees as they were agreed at the outset. So, I can't agree there was a conflict of interest. And I don't agree it was Plus500's motivation to close the account because the trades were about to turn positive. I'm satisfied it was more likely Plus500 closed the account because it became aware of Mr S' financial vulnerability.

Overall, taking all the above into account I'm not persuaded that there were indicators which should have alerted Plus500 to the fact that Mr S was a vulnerable customer because of his health or financial circumstances that would have indicated Mr S should have stopped his trading activities sooner. It was only upon provision of the bank statements that indicated the financial vulnerability. And I'm persuaded there was nothing during the account opening process that would have caused Plus500 to prevent Mr S from opening the account. It was only his later behaviour that prompted Plus500 to look further into Mr S' financial

circumstances. In closing his account, Plus500 prevented any foreseeable harm for which it would be responsible once it was aware of his Mr S' financial circumstances and in doing so, I'm persuaded it did so in Mr S' best interests, and not to its own advantage.

And as Plus500 was acting in Mr S' best interests, I'm not persuaded it would have been appropriate for it have taken any other course of action than it did after it gave notification of the closure. While I accept Mr S would like to have known the outcome to his complaint and queries earlier than he did, and it was time sensitive, but I don't find that Plus500 didn't act as it should have done in its communication with him and its handling of the complaint. I've also not seen anything to show that Plus500 acted outside of its regulatory obligations – the relevant regulator's rules and guidance – or its own User Agreement.

So, it follows that I don't uphold Mr S' complaint. I fully acknowledge Mr S will be extremely disappointed with the outcome to his complaint. Understandably he feels very strongly about it, and I'd like to thank him for the time and effort he has spent in bringing his complaint. But I hope I have been able to explain how and why I have reached the decision that I have.  
My final decision

For the reasons given, I don't uphold Mr S' complaint about Plus500UK Ltd.

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

Catherine Langley  
**Ombudsman**