

The complaint

Mr M complains that Saxo Capital Markets UK Ltd unfairly liquidated his Contracts for Difference positions resulting in significant financial loss to him.

What happened

Mr M held a Contracts for Difference (CFD) trading account with Saxo. He says they were inconsistent in the way they applied their policy on margin utilisation resulting in his Tesla positions being liquidated on 11 October 2025. As a result, he suffered around a £70,000 loss in October 2024 and £3,000 in November 2004 – which he says was disproportionate for the risk they posed.

In August 2024 he exceeded the margin requirements and says he was allowed to manually close positions to bring his margin below 100%, preventing any forced liquidations. He says they denied him the same flexibility in October 2024 and liquidated his positions without offering him the option to manage the risk manually.

As a VIP client, Mr M expected proactive communication from Saxo regarding his margin status, but no one contacted him about this. There was poor communication regarding the reclassification of risk ratings which lead to his margin increase. He complained the communications were hidden within the platform and he considered this insufficient. He says he was paying more than £45,000 in overnight fees but they failed in basic risk management support.

Mr M didn't think there was any justification for immediate liquidation of his positions as he had deposited £10,000 to bring his account margin to 78%, especially where his account margin was previously at 135% and they gave him flexibility. He sees this as inconsistent standards which is unfair. He says he was penalised for not transferring funds between subaccounts, despite being told the margin was calculated using all the accounts together.

To resolve his complaint, he would like:-

- An investigation into Saxo's liquidation policies
- An explanation as to why he was granted flexibility in August 2024 but denied this in October 2024
- Compensation for financial losses incurred due to the liquidation
- Formal clarification as to why VIP clients are not given the opportunity to manually manage positions prior to liquidation.

Saxo didn't uphold his complaint. They said they were entitled to stop out his account manually or automatically as soon as the margin requirements were breached. They say Mr M had five days' notice of the change in risk rating of products and any change to the margin requirements which allowed him sufficient time to manage his account accordingly.

As they didn't uphold it, he brought his complaint to this service.

The investigator considered the merits of the complaint and detailed the terms and conditions of the account which note the margin requirements and the obligations of the parties. She said Saxo had not acted below what was expected of them and didn't uphold the complaint.

As Mr M didn't agree with the investigator, this came to me for a 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.

I may not comment on each point, and I mean no discourtesy by this, it is simply the informal nature of our service. That said, I would like to reassure Mr M that I have considered all the evidence and information provided before reaching my conclusion. Having done so, I do not uphold the complaint. I will explain further.

Mr M raised his concerns about being treated fairly so I have started by looking at the terms and conditions of the account as well as the rules outlined in the Conduct of Business Rules (COBS) of the Financial Conduct Authority (FCA) Handbook. I am satisfied the terms and conditions do allow Saxo to liquidate positions where the margin requirements have been breached, and this point doesn't appear to be in dispute. Both the investigator and Saxo have outlined the relevant terms, so I won't repeat them here again. The issue is whether Mr M was treated fairly and if Saxo's actions in liquidating the positions resulted in a disproportionate loss to him.

It is important to understand that there is a regulatory obligation on Saxo to ensure sufficient funds are available to cover the value of any open positions at any given time. This is one of the reasons margin requirements are in place and when these margin requirements are not met, Saxo are required to act on this. What they are not required to do is consider whether these positions will be profitable at some point in the future. Arguably this could cross over into the realms of making trading decisions which Saxo are not expected to do here in an execution only account.

I know Mr M says Saxo's actions were disproportionate and unfair as his margin utilisation was only 100.14%, but I don't think the percentage or amount he was over the margin requirements is relevant here. On 10 October 2025, he was made aware of the margin concerns when he received a margin call notification. He deposited £10,000 the day before the liquidation which brought his account to 78% of the margin, but on 11 October 2025, the margin breach had increased to more than 100% which meant the account had insufficient funds to keep his positions open. When the margin breach occurred, Saxo was required to deal with the risk they encountered and in doing so, exercised their right to close Mr M's open positions to manage this.

I've considered the communication methods Saxo used to update Mr M regarding any changes. They say Mr M had five days' notice of the change in risk reclassification of products. The notice was visible on the platform and highlighted with a blue exclamation mark that would take Mr M directly to the Margin Monitor to help him manage his margin requirements. This is different to the emails and pop-up alerts received for margin calls, but to be clear, the terms and conditions of the account do not require Saxo to provide email notifications of margin calls in advance. I am satisfied they've not been unreasonable in the way they communicated with Mr M.

Mr M informed us that he is a VIP client so I can see why his expectations of Saxo's

involvements and communications were raised. However, I haven't seen any evidence to suggest being a VIP client would have resulted in Saxo making direct calls to him to notify him of any changes or that he was entitled to receive different treatment than he did.

In terms of Mr M's claims about inconsistent standards with the different trading positions in August and October 2025, I'm not in a position to comment on the specific circumstances surrounding the August 2025 margin call, but I have considered whether being given the opportunity to close his positions manually set the standard for future dealings and raises any concerns of inconsistency. Whilst I appreciate Mr M did want to manage his account manually himself because this had happened on a previous occasion, Saxo were not required to do this. The evidence I have seen of communications sent to Mr M about his margin as early as April 2025 clearly state they have the right to close out all open orders and positions where the margin requirements were breached. He was repeatedly warned with margin call alerts and should have managed this before any automatic liquidation took place. So, I don't think Saxo set an expectation that he would be given the opportunity to manually close his positions himself. As such, I can't hold Saxo responsible for losses he incurred in exercising their right to act on the margin breach and liquidating his open positions to manage this.

I know Mr M will be disappointed with my decision especially because of the impact this situation has had on him and his family, but overall, I'm not persuaded that Saxo were unfair or unreasonable in their dealings or that they failed to act in accordance with the terms and conditions of the account, so I won't be asking them to do anything.

My final decision

For the reasons given above, I do not uphold this complaint against Saxo Capital Markets UK Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 February 2026.

Naima Abdul-Rasool
Ombudsman