

The complaint

Mr G complains to OANDA Europe Limited about losses on his trading account. He questions whether he should have been able to have a leveraged trading account given his circumstances and seeks compensation for the £34,000 he has lost.

What happened

Mr G opened a trading account with OANDA in August 2024. He was asked questions about his financial situation and understanding of trading before they opened his account. A month later, Mr G updated the figure he'd given OANDA about his level of savings and investments – he amended it from £5,000 - £25,000 to £25,000 - £50,000. Mr G went on to trade over 500 times in the next few months. Though he made some money, this was offset by losses of around £25,000 by December. After losing so much, he asked for our help in March 2025 and we passed the complaint to OANDA.

OANDA sent Mr G their final response letter in April 2025. They said, in summary, that their products weren't right for everyone but that's why they made the risks clear before opening the account. They also said they'd asked Mr G about his circumstances, and he'd told them he had relevant trading experience and he passed some questions to test his knowledge, so they didn't agree they were wrong to let him open an account. They also said they'd emailed him about depositing too much money given the risks involved.

That said, OANDA recognised they could have done more after Mr G contacted them in December 2024 so they offered to refund half of the losses he had gone on to make between that date and the date he complained to us – this offer was for just under £2,750. Mr G remained unhappy. He said, in summary:

- he didn't have the trading experience OANDA had referenced – he said he'd likely filled in the form without understanding the consequences and OANDA's reliance on self-certified answers was deeply concerning
- he didn't remember accepting the risk warnings and instead only realised the risks when suffering significant losses
- he deposited thousands of pounds into his account without any real affordability checks – OANDA didn't verify his financial position or warn him he was overexposing himself
- the affordability notification emails were generic which didn't prompt meaningful review
- OANDA didn't respond adequately when he first raised concerns
- the impact on his life has been severe – it's damaged his marriage and led to mental health issues
- the partial refund offer isn't adequate given the scale of harm and failure.

He asked our service to investigate why he was allowed to trade in such high risk products without safeguards, why he wasn't identified as inexperienced and vulnerable, why reliance on self-certified answers was sufficient and overall to question OANDA's failure to intervene when he lost nearly all of his deposit. As his account now appears to have been deleted, he's even more concerned about what warnings were shared as he cannot access them.

One of our investigators had a look at what had happened, but he didn't agree with Mr G. He said OANDA had assessed his appropriateness for trading and that the amount deposited wasn't of concern given what he'd declared. He cited some of the risk warnings Mr G was given and ultimately didn't conclude OANDA had done anything wrong.

Mr G then shared some further information with us – he clarified that when his account was opened, it wasn't him who had answered the questions. A friend of a friend who was already trading completed the application and questions for him. He'd told Mr G that he wouldn't lose all of his money – he'd made thousands and had picked it up quickly. Mr G trusted his assurances and didn't realise the implications of having someone else fill the questions in. He confirmed that the information submitted wasn't a reflection of his own knowledge or experience.

But this didn't change anything for our investigator – he said OANDA were entitled to rely on the information provided unless they were aware it was out of date, inaccurate or incomplete. And OANDA wouldn't have been aware that someone else had opened the account for Mr G, so they weren't to know not to rely on what had been declared.

Mr G told us about how the losses have affected his personal circumstances. The money was for his family stability, and had largely come from his mother's lifetime savings, so his relationships at home are really strained. Mr G also explained how he can't focus due to the emotional burden this has left. He also shared with us that he'd been in a motorcycle accident around the time he was trading – he had to undergo surgery, was on strong painkillers, couldn't get out of bed and didn't know what was going on. He lost both of his jobs and stopped all of his hobbies. He says he told OANDA about this and said he wasn't in a fit state to trade, but they allowed him to continue.

Ultimately, Mr G remained of the view OANDA ought to have done more – he thought that given the amount of money he deposited, they should have taken additional steps to meet their duty of care and recognise he was a vulnerable and inexperienced customer. He asked for his complaint to be reconsidered.

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.

As OANDA are a regulated firm they're subject to the rules set out in the regulator's handbook – the conduct of business (COBS) section is what's relevant here. OANDA weren't required to assess the suitability of Mr G's upcoming trading given they weren't going to be giving him any advice – his account was opened on an execution only basis so it was for him to decide which trades to make. However, COBS 10 required OANDA to assess his appropriateness to trade as he did. In other words, this required them to gather relevant information from Mr G in order to decide whether he had the necessary knowledge and experience to understand the risks involved.

I have reviewed OANDA's application process and can see that at the first step there were three links Mr G had to confirm he had read before he applied – these were called the 'appropriateness statement', 'costs and charges' and 'key information documents'. OANDA have shared the documents with me and I can see that the 'appropriateness statement' said:

Is FX and CFD trading, and Spread Betting appropriate for me?

Trading FX and CFDs, and Spread betting is not appropriate for everyone and we would normally expect these products to be used by persons who:

- *Have a high risk tolerance*
- *Are trading with money that they can afford to lose*
- *Have experience with, and are comfortable trading on financial markets and understand the impact and risks associated with margin trading*
- *Generally want to acquire short term exposure to financial instruments/markets*
- *Have a diversified investment and savings portfolio*

FX, CFDs and Spread Bets are offered for trading at OANDA on an execution only basis, meaning no advice or recommendation is given nor monitoring or risk management assistance provided.

These products are appropriate for the following individuals:

- *Experience[d] traders*
- *Inexperienced traders who understand the risks and who have disposable income*
- *Those with a high risk tolerance*
- *Not appropriate for anyone who has low income and low savings*

Risks were further explored within the 'key information documents' which varied according to product but generally set out what a CFD was as a product, its objectives, inherent risks, what could affect it positively or negatively and what the costs were.

The next screen asked Mr G to agree to be legally bound by another three documents, the 'risk warning disclosure', 'order execution policy' and 'terms of business'. OANDA provided links to each document and have shared these with me too. The 'risk warning disclosure' was a five-page document and opened with "*Our products are complex instruments and come with a high risk of losing money rapidly due to leverage. 76.6% of retail investor accounts lose money when trading our products with us. You should consider whether you understand how our products work and whether you can afford to take the high risk of losing your money.*" It went on to discuss the number of inherent risks in the sort of trading Mr G was interested in.

So from what I've seen, I think OANDA provided sufficient information about the risks of this sort of trading before Mr G opened his account. While he may not remember viewing and agreeing to these documents at the time, it was something he had to do to open the account and isn't unusual to see.

The application then went on to capture personal details around things like Mr G's income, savings and sources of funds. When considering prior experience, OANDA asked Mr G about his trading experience on a non-advised basis over the last two years. When asked how many times he'd traded CFDs and foreign exchange, he told them 50 times each. When considering knowledge, OANDA asked Mr G nine questions – these covered things like his understanding of the direction of a currency pair, knowing he wouldn't own the underlying, knowing he'd be closed out if he didn't have sufficient margin, knowing what volatility, spread, variable spread and gapping meant, knowing what was important to manage risk and knowing what leverage changes meant. Mr G got eight of the nine questions correct.

OANDA needed to check that Mr G had relevant knowledge or experience to understand the risks involved in this sort of trading. And given his answers to their questions, I am satisfied that the account was properly assessed as appropriate for him. Though Mr G now tells us that someone else opened the account for him, as the investigator said, OANDA were entitled to rely on the answers given so I don't agree this changes anything.

Once the application was passed, OANDA opened Mr G's account and he began using it. I've listened to a call from the day the account was opened – during the call Mr G talked his

new account manager through the issues he'd had with the former company he had traded with. He explained that his trading account had been closed without reason after suffering a large loss.

Though this could make a new company like OANDA cautious, Mr G went on to explain his frustrations with what had happened. He said he was following a riskier strategy than usual and though he'd lost money, he had other planned trades that would've made it back, so the account closure had taken that opportunity away from him. He didn't come across as concerned or surprised about the loss he'd suffered, his demeanour was more that he'd been inconvenienced. He spoke about his general strategy when trading commodities and currencies and didn't come across lacking awareness of leveraged trading – if anything, in my view he showed more knowledge than had been demonstrated in his appropriateness answers.

During the call Mr G did mention his motorcycle accident, but this was in reference to his inability to monitor his positions when he was trading with the former company. He didn't share with OANDA that he was experiencing any ongoing issues – instead he made reference to the accident as a past event. I didn't hear him make any suggestion that, using his words, he wasn't then in a fit state to trade, so I don't think OANDA were given any reason to be concerned about M G's circumstances then.

Given I'm satisfied with the account opening, I've moved onto consider what happened thereafter. In terms of the trading activity, I can see that across several days in August 2024, he deposited a total of just under £24,000. After adjusting his savings figure, he then deposited a further £10,000 in September. I can see that between August and December 2024, Mr G made around £47,000 but lost around £72,000 – so Mr G lost around £25,000.

It was in December that Mr G got in touch with OANDA about the risks of trading. I can see from the online chat facility that on 6 December 2024, Mr G said "*I have agreements to accept under my account and I don't want to accept them as I was unaware of the risks and the amount of money I was able to lose so quickly.*" In response, OANDA said they'd get Mr G's account manager to call him. But they admit that after some failed attempts, they didn't do any more to follow up or treat what Mr G had said with any concern.

Usually, if a business like OANDA got a message from a customer raising concerns about not understanding the risks of trading, I would expect them to treat it seriously as it may be the case that they need to intervene. But things are different here. I say that because Mr G was someone who had traded with another company before, he'd suffered what he thought were significant losses with them, he'd also gone on to trade for three or four months before making the comment above – and in that time he'd had winning and losing trades. So despite what he said then, I don't agree Mr G was someone who was unaware of the inherent risks of this sort of trading – instead, he was someone who'd actually felt the effects of them, not just agreed to the principle that they might happen. Having reviewed OANDA's updated risk warning disclosure which is what likely prompted the platform notification, it was very similar to all of the documents Mr G had to read when opening his account some months earlier.

So from what I've seen from the online chat in December 2024, I don't think this changes things. I appreciate OANDA could have handled the enquiry better and made sure to follow up with Mr G, but as I've explained above, had they done so I don't think it would have made any material difference here as Mr G was already 'accepting' the risks in practice, not just in principle. Despite raising the concerns he did, Mr G continued trading until he complained to us in March 2025. That was his choice to do so. OANDA previously made an offer to pay £2,750 to settle the complaint – but I note this was a limited time offer. Should Mr G wish to

try and accept an offer now, I'd suggest he contact OANDA directly as it is not something I'd endorse.

From everything I've seen, I don't agree OANDA were wrong to let Mr G open an account with them and go on to trade as he did. As unfortunate as the situation he is now in is, I don't think it would be fair or reasonable for the risks he accepted at the time and the decisions he made to trade to now be transferred to OANDA by way of them compensating him for his losses.

My final decision

I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 December 2025.

Aimee Stanton
Ombudsman