

The complaint

Mr M has raised a complaint regarding the closure of his spread-bet positions by CMC Markets UK plc (CMC). He says that he was logged into the platform and in the process of depositing funds to meet the required margin when the positions were closed automatically.

Mr M is seeking compensation for the losses he suffered, as he feels CMC acted too rigidly and did not allow a brief opportunity to complete his deposit.

What happened

On 7 April 2025, Mr M received an automated margin alert at 08:00:18, warning that his account was approaching the close-out threshold. He says he immediately logged into the platform to add funds. However, CMC's system automatically closed his positions at 08:02:24, before the £4,000 deposit he attempted was credited at 08:06. This resulted in a loss of £18,315.86.

CMC investigated Mr M's complaint and explained that its platform is fully automated and execution-only. It said that once the Account Revaluation Amount falls to 50% of the required margin, positions are automatically closed to prevent the account balance from reaching zero. CMC confirmed that the liquidation reflected valid market movements, and there was no error in pricing or margin calculation. It further explained that it was not required to delay execution to allow Mr M to complete a deposit and that the warnings provided were intended to alert, but not guarantee prevention of, close-out during periods of market volatility.

Mr M did not accept this explanation. He said that he was actively depositing funds and that the positions should not have been closed while he was online.

As Mr M was unhappy with CMC's response, he referred the matter to this Service. An investigator reviewed the complaint. The investigator considered the timing of the margin alert, the account balances, call recordings, and system logs. He concluded that CMC acted in line with its terms and that the close-out occurred as intended. The investigator acknowledged Mr M's frustration but found that CMC was not required to delay the close-out to allow for a deposit, so he didn't uphold the complaint.

Mr M remained dissatisfied with the investigator's conclusions and raised concerns that CMC's approach was inconsistent with competitor practices. He felt strongly that the rigid application of the rules caused him significant financial harm, so the complaint was passed to me to decide.

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 understand Mr M may be disappointed by my decision, but I hope my explanations below make clear why I have reached this answer.

The key issue for me to decide is whether CMC acted fairly in closing Mr M's positions, even though he was logged into the platform and attempting to deposit funds very soon after receiving CMC's margin alert.

I have carefully considered the contractual terms and risk disclosures, which Mr M agreed to when opening his account. These make clear that the platform executes orders automatically and that clients are responsible for monitoring their accounts. In particular CMC's Terms of Business and Risk Warnings explain:

"There are some circumstances where the whole or a portion of your Bets will be closed without instructions from you. This includes where Account Close-Out occurs, where you fail to reduce any Position to below the applicable limit within the relevant time limit specified by us, where we exercise our rights to close your Bets."

"Your Bets and/or Countdowns and Positions are at risk of being closed automatically. The automatic closure of your Bets, Countdowns, and/or Positions by the Platform is intended to prevent you incurring further losses... you must not rely on it. It is your responsibility to monitor your Positions and your Account Revaluation Amount... closely."

These terms make clear that clients are responsible for ensuring sufficient funds are available and that the platform may close positions automatically if margin thresholds are breached.

The evidence shows that Mr M understood the responsibilities associated with holding an execution-only account and the risks of trading on margin. He had received multiple margin alerts prior to the close-out and had acknowledged that he needed to manage his account's revaluation amount to avoid automatic liquidation. Furthermore, his prior trading experience with CMC demonstrates that he was aware that failing to maintain sufficient margin could lead to positions being closed automatically.

From the account records and call recordings, it is clear that Mr M actively managed his account, understood margin requirements, and knew how to respond to margin alerts. So, whilst I appreciate that Mr M attempted to deposit funds to prevent the closure, the timing of his deposit meant it was credited after the positions had already been liquidated.

Mr M believes CMC should have given him more time between issuing the alert and closing his positions, but I don't agree. Warnings are intended to assist clients in managing risk but are not guarantees that it will allow particular time before taking action. In this context, I'm satisfied CMC acted in accordance with the agreed terms. It, therefore, follows that CMC was not obliged to delay the close-out, because doing so would have required making trading decisions on Mr M's behalf, which is inconsistent with the execution-only nature of the account.

I have also considered the FCA's Consumer Duty, which requires firms to act fairly, avoid foreseeable harm, and support clients in pursuing their financial objectives. I've seen CMC sent timely margin alerts, followed its established procedures, and acted in line with its Terms of Business. I'm therefore persuaded that the losses Mr M experienced arose from rapid market movements and the agreed user account rules, rather than any failing on CMC's part.

Finally, I have taken note of Mr M's point about the actions of a competitor. I understand why he might make such comparisons, but my decision is based solely on the facts of this case, and the agreement Mr M has with CMC. As such, the conduct of another firm does not have

any bearing on determining whether CMC acted appropriately based on the terms Mr M agreed to.

In summary, I'm of the opinion the evidence shows that Mr M understood his responsibilities, that CMC acted in line with its Terms of Business and Risk Warnings, and that the automatic close-out of positions was carried out correctly and fairly. Further, the losses arose from market movements and the timely application of margin rules, rather than any failing by CMC.

My final decision

For the reasons given above, I do not uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 January 2026.

Farzana Miah
Ombudsman