

The complaint

Mr G complains about the way Saxo Capital Markets UK Ltd closed some of his positions when his account went into margin deficit. He says that it closed positions that shouldn't have been closed and didn't take into account additional collateral that meant his account didn't pose any risk.

What happened

Mr G explained that the positions Saxo closed were put options that were significantly out of the money and "posed minimal risk", covered call options which were "by definition [...] secured by underlying holdings and involved no additional margin risk" and there was additional cash in his account that would've been sufficient to cover any obligations.

Mr G complained that Saxo chose to liquidate his positions without assessing its actual risk or considering more proportionate actions – Saxo's actions therefore caused Mr G considerable financial loss. Mr G said that he understood the terms and conditions gave Saxo the right to do what it did, but felt that its actions weren't consistent with the standards of fairness that were mandated by the FCA.

One of our investigators looked into Mr G's complaint but didn't think it should be upheld. In summary, he agreed with Saxo's final response letter, where it said that its terms allowed it to take the actions that it did. The investigator didn't think it was obliged to differentiate between the various positions Mr G had open when taking action following the margin call.

Mr G didn't agree and asked for an ombudsman's 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 agree with the investigator and for broadly the same reasons. I should say firstly that I completely understand Mr G's reasons for complaining and why he feels he has been treated unfairly. Mr G is right that when liquidating his positions, Saxo had to treat him fairly.

However, when deciding whether Saxo acted fairly and reasonably, I'm required to take into account the terms and conditions of the account as well as the rules laid out in the Conduct of Business Rules of the FCA Handbook and any other applicable law.

I'm satisfied the terms and conditions allowed Saxo to take the actions that it took – those terms have already been quoted both by the firm and the investigator, so I see no need to replicate them here. And to be clear, I'm not persuaded the amount by which Mr G breached the margin requirement to be relevant to the complaint – from the evidence I've seen he first went into margin deficit when his account was at 100.46%, and then straight after the situation improved a little to 100.3%. So it's not in dispute that on 4 April 2025, Mr G's account had insufficient margin to keep his positions open and therefore Saxo was entitled

to take action.

COBS 22.5 sets out the regulatory background to Saxo's actions. Key to this is that the margin required to keep a position open must be in the form of "money" and that when looking at the value of the account to determine whether or not there is sufficient margin, the firm is required to consider the total value of the exposure of that position – not the likelihood of whether that position will lose money or make money – when compared with the cash on the account. In the case of shares, indices or currencies, that will be the unrealised profit or loss. But in the case of futures, call or put options, it wasn't unfair for Saxo to take into account the exposure that those options represented – and it wasn't required to consider the likelihood of those options being exercised at a future date. At that point in time, Saxo's priority had simply switched to removing any risk, of any sort, from Mr G's portfolio by closing his trades.

Whilst I acknowledge above that Saxo had obligations to Mr G to treat him fairly, I'm also required to take into account the fact that the courts have held that a failure to meet a margin call in situations like this is essentially a breach of the agreement between the trader and the firm. In Mr G's case, the terms are clear about his obligations towards Saxo in relation to maintaining the appropriate margin requirements – and importantly, about what Saxo will do in the event those terms aren't adhered to. And Saxo says on its website that in the event the margin utilisation is above 100%, all positions will subject to its compulsory close-out policy.

Ultimately, the circumstances were such that the terms, the applicable law and the relevant rules allowed Saxo to close any and all of Mr G's trades in order to rectify the situation. Whilst I completely understand why Mr G considers other actions would've potentially produced a better outcome for him, I'm not persuaded that means Saxo has done something wrong.

Furthermore, I agree with the investigator that it was Mr G's responsibility to ensure that he had sufficient margin in his account. At around 6.30am that morning Saxo notified Mr G that his position in Glencore Plc had lost around 137% since the previous day. Mr G has said that email ended up in his junk mail and that this was foreseeable – and furthermore, that it was "unrealistic to expect" him to monitor emails constantly during working hours. I do sympathise with Mr G's points here – but that doesn't mean Saxo ought to be responsible for the consequences of Mr G not seeing the email or not monitoring his account for that brief period of time.

Saxo was entitled to communicate with Mr G via automated emails that alerted Mr G to important issues to do with his account – in addition of course to the various other ways Mr G had to monitor his account. Saxo wasn't required to call Mr G or find other ways to contact him more directly – it was entitled to expect that its emails would be received and read by Mr G and that he had appropriate mechanisms in place to ensure important emails weren't erroneously flagged as spam. I acknowledge that can be challenging sometimes and not foolproof – but unfortunately this is not something I think Saxo can be blamed for. Furthermore, whilst monitoring his account at all times may well be unrealistic, only he was responsible for what happened on his account and for ensuring that he met any relevant obligations, such as the amount of margin required.

Ultimately, Saxo gave Mr G all the information he needed to ensure he could add additional margin to his account before the automatic closure of his positions. Although he was entitled to wait and see whether to add more money to his account, in my view this meant accepting the risk that ultimately materialised. I acknowledge that it's possible not all firms would've closed Mr G's positions in the manner that Saxo did – but my role requires me to consider how Saxo acted and whether what it did was in line with the terms of the account as well as

the rules that it was required to follow. And for the reasons I've given, I'm satisfied Saxo acted fairly and reasonably when liquidating Mr G's positions when his account fell into margin deficit.

My final decision

My final decision is that 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 14 November 2025.

Alessandro Pulzone
Ombudsman