

## The complaint

Miss T has complained that Saxo Capital Markets UK Ltd ('Saxo') incorrectly closed her Contracts for Difference ('CFD') positions because of a technical error. She would like her closed positions reinstated.

## What happened

Miss T had a CFD trading account with Saxo and held positions in EURJPY and Tesla. On 17 December 2024 she was close to her margin utilisation and instructed a sale of EURJPY to release around £3,000 margin. The order wasn't executed and her other positions closed because of lack of margin. She believes Saxo should have prioritised her sale order before the other positions were closed. Miss T also made deposits on the same day, but these weren't processed quickly enough to provide margin to her account.

Miss T raised her concerns with Saxo who responded to her complaint. It said;

- It provided timings of the margin call notifications, the margin utilisation exceeding 100% and Miss T's order which wasn't executed as 100% margin had been reached.
- It acted in line with its General Business Terms and it was Miss T's responsibility to ensure sufficient margin on her account.
- Miss T's sell order wasn't cancelled but received at the same time as margin utilisation was breached which meant the latter had already occurred, so Miss T's order didn't precede the stop out.
- The stop outs released margin so Miss T could have immediately regained her exposure to Tesla.
- No priority was given to the stop outs or Miss T's order. Once margin utilisation breached 100% the system was automatic in initiating the stop out.

Unhappy with the outcome, Miss T brought her complaint to this service. Our investigator who considered the complaint didn't think Saxo needed to do anything more. She said;

- She didn't think it would have been feasible for Saxo to have halted the margin call while Miss T's sell order was placed and accepted by the market to release margin. It would need to have happened before margin utilisation was breached.
- Because the instruction to close the EURJPY position was placed too late, Saxo was right to reject it.
- She couldn't see any evidence that Miss T's deposits were delayed.

Miss T didn't agree;

- She provided evidence of two cash deposits to the account on 17 December 2024 which along with her sell order would have been sufficient to support her margin requirements.
- Saxo had cancelled her order which it had already accepted and carried out the stop

out at the same time her order had been placed.

- It wouldn't have been possible for her to have placed the order if margin utilisation had already been breached. By being able to place the order it was accepted by Saxo and the execution should have been instantaneous.
- Saxo's system was flawed if it was unable to manage two activities at the same time.
- She provided video evidence of her online account with Saxo that showed she wouldn't have been able to place the sell trade if it had already been stopped out as the position to be sold would be 'greyed out'. She also provided an example of placing a trade where the 'Order placed' and 'Trade confirmation' pop up boxes would show instantaneously.

Correspondence continued and our investigator provided a further assessment, but Miss T didn't agree. She raised issues about the timing of the deposits on her account and a further submission for the ombudsman's consideration.

As the complaint remains unresolved, it has been passed to me for a 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'd like to take this opportunity to explain that I fully understand Miss T's strength of feeling about her complaint, and I sympathise with the financial impact her trading losses with Saxo have had on her and are likely still having on her. However, when looking at the circumstances surrounding Miss T's complaint, my role is to be impartial and consider what's fair and reasonable. This means taking into account Saxo'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.

I think it is important that I set out the relevant applicable standards as laid out by the FCA in its Conduct of Business Sourcebook Rules ('COBS') when margin requirements are exceeded. The FCA requires client positions to be closed once equity falls below 50% of the margin requirement – which Saxo refers to as maintenance margin of 100% – and these can be found at COBS 22.5.11 06/01/2021R and COBS 22.5.13 01/08/2019R.

Miss T has referred to the fact the sale order and execution should have been instantaneous as evidenced by the 'Order placed' and 'Trade confirmation' pop up boxes in the videos she has provided. The 'Trade confirmation' 'leg' of the process didn't happen in the case of the trade she placed on 17 December 2024, and Miss T says she is owed that 'leg' of the process by Saxo.

I've thought very carefully about this point. But I'm persuaded the lack of the 'Trade confirmation' pop up box for Miss T's placed trade is evidence of the fact that Miss T placed her trade at the same time the stop out was in process ie margin had already been breached and the stop out itself had occurred sometime between Miss T being able to place the order and the actual execution of the sell order – even if that be by nanoseconds.

While Miss T says the two boxes pop up instantaneously when placing a trade in the normal course of events, I'm persuaded that it didn't happen in this case because of the stop out

which had been automatically activated. And I think this is borne out by Miss T's recollection that when she placed her order the platform 'displayed a loading indicator, delaying execution despite typically instantaneous processing'. But the automatic stop out wouldn't have been initiated unless the margin utilisation had already been breached which it had been at 100.2% according to Saxo's activity log of Miss T's account.

Miss T has said that Saxo's system should be able to manage two activities at the same time. But I can't agree. The system is automated with no manual intervention so I'm persuaded its most likely the stop out process was initiated before Miss T's order could be executed.

So, in placing her order Miss T was too late to prevent or stop that automatic stop out process as the margin utilisation had already breached 100%. Because of this, I can't agree with Miss T that she is owed the second 'leg' or the 'Trade confirmation' – confirmation of execution – of the order she placed.

And Saxo's 'General Business Terms' envisages this could be a potential issue and makes clear that while a client can place an order it is not binding on Saxo until it has been recorded as executed;

#### '11. Orders and Instructions

...

11.3 No instruction or order from a Client is binding on Saxo until it has been accepted by way of acknowledgement by us to the Client in writing or verbally (as appropriate). **No binding Contract or other transaction is entered into until it has been recorded as executed by Saxo and confirmed by us to the Client through the Settlement/Trade Confirmation**, subject to Clause 12 (Positions - Refusal, Close-Out, Position Netting and Rollover). **The mere transmission of an instruction by the Client will not constitute a binding Contract**. If an Event of Default occurs, Saxo reserves the right to calculate the net amount owed by either Party in accordance with these Terms regardless of any Settlement/Trade Confirmation provided.

11.4 **Only the Settlement/Trade Confirmation made available to you constitutes our confirmation of the execution of a Contract or order. Confirmation by the Trading Platform itself, when you transmit instruction via the relevant Trading Platform, does not constitute confirmation of the execution of a Contract or order.** You may not cancel a Contract after the order for the Contract is executed.' [my emphasis]

As Miss T didn't receive the 'Trade confirmation' pop up box after she had placed her trade I don't agree with Miss T's view that an order is binding upon acceptance by Saxo at the 'Order placed' stage. Though Miss T feels Saxo's actions weren't in her best interests, it was required to take steps to protect the account when margin requirements were breached. And the action Saxo took was in line with what the regulator's rules. So, from everything I've seen, I don't think it would be fair to ask Saxo to compensate Miss T.

It was Miss T's responsibility to ensure there was sufficient margin on the account to keep the positions open, and it was ultimately her decision to decide what and how much risk to take when keeping those positions open – for example, adding more margin sooner would have allowed the positions to stay open. But these were investment considerations which only Miss T was responsible for making. Saxo had no responsibility to make those decisions for her. Its responsibility was to manage the account in accordance with its General Business Terms which I am satisfied it did.

It follows I don't uphold Miss T's complaint that Saxo closed her positions because of a technical error. I'm satisfied – from the evidence presented to me – that Saxo's systems and automatic stop out acted as it should have done. And I agree with Saxo that the stop out was valid, and its system acted as intended.

I appreciate Miss T wanted me to focus on the core issue of her complaint about the above trade and stop out but in response to the investigator's initial assessment Miss T provided evidence of cash deposits to her accounts on 17 December 2024. I think it's important I also address this point because the funds deposited – if received in time – would have provided margin for her positions. Miss T said there was a delay in the processing of her EUR deposit which had happened before at crucial times.

Our investigator sought more information from Saxo. Saxo told us Miss T had two accounts – a GBP account which effectively was the main account and a EUR account.

For Miss T's account €5,859.05 was received at 14:13:26 on 17 December 2024 which was before the first margin call warning was sent at 14:30:01 and was taken into account when calculating margin requirement. The second deposit for the account of €2,584.81 wasn't received until 16:12:25 so was after the stop-out. Saxo told us that the two deposits Miss T made were via bank transfer which can take up to five working days to be credited but in this instance both deposits were made on the same day and as soon as they were received.

Miss T said that her bank had transferred the funds approximately 30 minutes apart and would usually arrive in her Saxo bank within one hour but the second deposit was delayed by two hours compared to the first one. She says the two-hour delay is suspicious given that the trading desk and FX desks likely act as counterparties and her best interests were subordinated to Saxo's internal profit motives.

Saxo has provided screenshots of the two credits to Miss T's account which are timestamped for the time of receipt. And Saxo has told us the deposits were credited to Miss T's account automatically by its system when received. As the system was fully automated and without any manual intervention by Saxo's Payments team I think it unlikely that Saxo caused any friction to the process which would have stopped the funds being received in Miss T's account any earlier for the benefit of Saxo.

I think it most likely the payments were credited as and when received, albeit the second one not being as quick as Miss T suggests should have been the case. But from the information provided, I'm satisfied the funds were automatically deposited into Miss T's account once received without any intervention by Saxo.

And Saxo's General Business Terms are quite clear about when the funds become available on a customer's account and its liability if the transfer of funds are delayed;

## **'10. Transfer of Funds**

...

- 10.2 Where you provide complete and correct transfer instructions, any incoming transfers of funds will be booked and made available on your Account only after we have received a notification from our bank, custodian or appointed service provider (including but not limited to SWIFT messages or API messages) that the funds (i) have been cleared in accordance with applicable law and industry standards and (ii) have been deposited into an account held by Saxo. Any incoming transfer of funds will not be taken into account for the purpose of your Margin Requirement before the funds are booked and made available on your Account.

...

- 10.6 Please be aware that Saxo cannot be held liable for any time passing between the transfer of funds: (i) by the sending bank until the funds are booked and at disposal on the Client's Account in accordance with this Clause 10 (Transfer of Funds)...

It follows that I am satisfied Saxo deposited the funds to Miss T's account when received. It was Miss T's responsibility to ensure sufficient margin was held on her account so that her positions could be maintained but as the second deposit was received after margin utilisation had been breached Saxo then acted in line with its obligation to stop out Miss T's positions.

Taking all the above into account, I don't uphold Miss T's complaint. No doubt Miss T will be disappointed with the outcome. It's clear she understandably feels strongly about it, and I would like to thank her for the time and effort spending in bringing her complaint. But I hope I have been able to explain how and why I have reached my decision.

### **My final decision**

For the reasons given, I don't uphold Miss T's complaint about Saxo Capital Markets UK Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 12 December 2025.

Catherine Langley  
**Ombudsman**