

The complaint

Mr N complains that Interactive Brokers (U.K.) Limited ('IBUK') didn't tell him at any point about its decision to restrict the types of trade customers using their self-invested personal pension ('SIPP') could make. He says this prevented him from executing his established trading strategy and so caused him a financial loss totalling about £28,640.

What happened

Mr N says he chose IBUK as a broker through which to invest some of his SIPP monies. And that from around 2022, he's used his IBUK account to actively trade FTSE100 index financial options on a structured and strategic basis within a roughly two-month cycle.

In 2024, IBUK chose to remove the IBUK 'segment' that allowed SIPP customers to trade Over-the-Counter ('OTC') products like Contracts for Difference, physical metals, certain non-US index options and futures. IBUK emailed affected clients on 11 June 2024 to notify them of the change and to tell them it would take effect on 13 June 2024.

However, Mr N continued to be able to instruct such trades in line with what he's said was his planned and established investment strategy. He did so until 11 February 2025, when he says he was abruptly prohibited from closing and rolling his call options. He called IBUK about this the same day and while it allowed him to close the trade the next day, it wouldn't let him open a replacement position. Mr N says he was then repeatedly blocked from adjusting another trade.

Mr N thought IBUK hadn't disclosed these restrictions to him and that this had caused him a significant financial loss. So he complained to IBUK about this in March 2025. But Mr N thought IBUK hadn't provided a final response to his complaint within the eight-week period it was entitled to, so he referred his complaint to the Financial Ombudsman Service.

In June 2025 IBUK told Mr N and our Service that it had responded to his complaint in April 2025. But IBUK set its response out again, however this time offering additional compensation to what it had offered in April 2025. In summary, IBUK's position was that its email of 11 June 2025 had notified Mr N of the restrictions that he wasn't permitted to open new positions and that IBUK would take any available steps to remediate such actions. That IBUK's client agreement with Mr N entitled it to send such notifications by email, and it was sent to Mr N's correct email address. But Mr N continued to open new positions, so IBUK wasn't responsible for losses arising from his missed trading opportunities. However, IBUK accepted Mr N should've been able to close the position as he'd wanted on 11 February 2025. So it upheld this part of his complaint and explained how it had calculated its compensation offer of US\$360 for the financial loss this caused plus a further US\$200 for his inconvenience.

Mr N thought IBUK had taken longer than it should have to respond to his complaint and wanted us to consider this. He added that its response didn't address his full financial loss, his distress, or the ongoing impact to his ability to trade due to the loss of funds in his account. And that he'd only maintained open positions because IBUK didn't tell him it was revoking his access to trade FTSE100 index options. If it had done so, he'd have ceased

trading well in advance, potentially as early as six months before the cut-off date, to ensure all positions could be responsibly managed and closed beforehand. So IBUK's failure to communicate was the root cause of his losses.

One of our Investigators considered Mr N's complaint. He concluded that IBUK had been entitled to make the change and to notify Mr N of it by email, and had sent the notification to Mr N's correct email address. And while this only gave Mr N two days' notice that he wouldn't be permitted to open new positions, he had in any case been able to carry on doing so until experiencing restrictions in February 2025. So Mr N had the opportunity to adjust his trading strategy to mitigate any losses. And even if the restrictions had occurred earlier, it wouldn't be fair to hold IBUK responsible for any potential loss given it had notified Mr N that it intended to stop allowing such trades from 13 June 2024. The Investigator also thought the total of US\$560 compensation IBUK had offered Mr N for its delay in closing the trade as he'd wanted in February 2025 was fair and reasonable in the circumstances.

Mr N disagreed. In summary, he said the Investigator placed too much weight on IBUK's terms and conditions, and these didn't override its duty to treat customers fairly or in line with the Regulator's Principles for Businesses. That he'd not received IBUK's June 2024 notification email. And given the impact of the changes, IBUK should've made sure he received the email and understood its implications, and should also have issued further messages and bulletins like it had on other matters. He thought a single email wasn't enough, and IBUK had failed to follow up or ask why he'd continued placing trades for six months. So IBUK had created a reasonable expectation that his strategy could continue, and the financial impact of the blocked trade on 11 February 2025 was significant and not adequately addressed by the compensation IBUK had offered.

But our Investigator didn't change his opinion. As agreement couldn't be reached, this complaint was referred for an Ombudsman's decision.

While that referral was underway, Mr N said a friend had told him IBUK was still allowing FTSE100 index options trading for SIPP customers. We asked Mr N for evidence to support this, but he said he couldn't find definitive information and did not provide anything further.

Mr N's complaint has now come to me and I am in a position to make my 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.

Mr N has made reference to what he sees as IBUK's failures to meet regulatory standards. For clarity, I'd like to assure both parties that in considering this complaint, I've taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. And this includes the Principles for Businesses and the Conduct of Business Sourcebook.

Mr N also says IBUK took too long to respond to his complaint. But our Service doesn't have a free hand to consider every complaint brought to us. The regulator's Dispute Resolution ('DISP') rules outline what activities fall within our Service's jurisdiction. DISP 2.3.1 says our Service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. So if Mr N's dissatisfaction on this point is *solely* about how IBUK handled his complaint by taking too long to provide its response, rather than about IBUK's underlying financial service, then this wouldn't fall within our Service's jurisdiction and so wouldn't be something we had the power to consider. But even if I were to simply accept that Mr N's dissatisfaction on this point was really about IBUK's underlying financial service and

so fell within our Service's jurisdiction, I've seen that Mr N was in any case still able to refer his complaint to our Service for an impartial investigation, without any significant delay.

Turning to the rest of Mr N's complaint, I'd like to explain that I've summarised it in less detail than Mr N has done and I've done so in my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've not considered it. I mean no discourtesy; it's because I'm satisfied that I only need to address what I see to be relevant in reaching what I think is a fair and reasonable outcome to this complaint. Our rules allow me to do this and it simply reflects the informal nature of our Service as a free alternative to the courts.

Firstly, I've considered whether IBUK was entitled to restrict the types of trade Mr N could make. I've seen that when Mr N opened his IBUK account, the series of documents he signed his agreement to included a client agreement regarding various OTC products, amongst others. IBUK has provided a copy of this agreement, and it sets out the following (I've included the original emphasis):

- "2.1.5
This Agreement does not Obligate the Client or IBUK to Enter into any Particular Transaction, or any Transactions: *You are not obligated to make any trades under this Agreement. Likewise, IBUK is not obligated to accept any particular order from you and IBUK is not obligated to enter into any particular transaction for or with you. IBUK has sole discretion to decide whether to quote a market in particular products, whether to deal or broker deals in particular products and whether to enter into a transaction with you for particular products. IBUK's entry into a transaction in a product does not obligate IBUK to continue to deal in that product in the future or enter further transactions with you in that product.*"
- "2.1.6
Use of IBUK's services: *IBUK may terminate the Client's use of IBUK's services at any time in IBUK's sole discretion without prior notice to the Client. IBUK may also decline to accept, to execute or to cancel any Client order, or may otherwise restrict, in whole or in part, the Client's use of IBUK's services at any time, for any length of time, in IBUK's sole discretion, without prior notice to the Client. Such restrictions on trading activity may include, but are not limited to: (i) prohibiting the Client from engaging in trading of (or entering orders to open or increase the size of a position in any individual financial instrument or category of financial instrument; (ii) prohibiting certain types of trades or orders; or (iii) limiting order size or value at risk. Notwithstanding the above, the Client remains responsible for its orders and transactions without regard to whether IBUK restricts, or does not restrict, the Client's trading activity. All transactions are subject to rules and policies of relevant markets and clearing houses, and Applicable Laws. **IBUK is not liable for any action or decision of any exchange, market, dealer, clearing house or regulator, or the direct or indirect consequences thereof.***"

Mr N says the agreement doesn't override IBUK's duty to treat customers fairly or in line with regulatory standards. Nonetheless, I'm satisfied the agreement entitled IBUK to restrict the types of trades Mr N could make. And by doing so, I don't think IBUK treated Mr N unfairly or unreasonably, or at odds with their agreement.

Mr N also says he didn't receive IBUK's 11 June 2024 notification email. I note that Section 7.1.5 of the agreement, 'Consent to Accept Electronic Records and Communication', sets out that in entering into the agreement, Mr N consented to receive electronic communications from IBUK including to his email address. There's nothing to suggest Mr N had at any time told IBUK he withdrew that consent. And the copy of IBUK's 11 June 2024

email I've been provided with shows it was addressed to the same email address Mr N gave to our Service when referring his complaint. Taking all this into account, I'm satisfied IBUK was entitled to send this notification to Mr N by email and that it sent it to a correct email address for him. If Mr N didn't receive this email, I'm not persuaded that was down to any error by IBUK.

And by sending this email, I'm satisfied IBUK took reasonable steps to notify Mr N of the changes. I appreciate Mr N thinks IBUK should have done more to make sure he'd received this notification, as it had on other matters. But while IBUK itself might have chosen different ways to communicate different matters, it wasn't obliged to do so here as well and I've seen nothing to make me think it treat Mr N unfairly or unreasonably on this point.

I've considered what IBUK's 11 June 2024 email told Mr N about the change. I've set it out here, again with the original emphasis. Entitled "*Removal of IBUKL Segment from your Self-Invested Personal Pension Account* **IMPORTANT NOTICE PLEASE READ**", the email said,

*IBUK "has taken the decision to remove the IBUKL segment from SIPP accounts on and from **13 June 2024**. The IBUKL segment of a SIPP account allows a SIPP account holder to trade OTC products like CFDs, physical metals, certain non-US index options and futures ("IBUKL Covered Products").*

What this means for you:

*Pending removal of the IBUKL segment from your SIPP account, you are **not** permitted to open new positions in the IBUKL segment of your SIPP account. Please note that if new positions are opened, IBUK would take all available steps to remediate your actions including the liquidation of any investments in your IBUKL segment.*

As you hold open positions in your IBUKL segment, you will still be able to close positions, but you will not be able to open new positions/trades.

Once your open positions have closed, we will transfer any cash balance in your IBUKL segment to your main SDIPP account number. Following this transfer (i.e., once you have a zero cash balance in your IBUKL segment), your IBUKL segment will automatically be removed from your SIPP account. No action is required on your part.

...

IMPORTANT: Your SIPP account remains open, and you can continue to trade non-IBUKL Covered Products (e.g. stocks and shares).

Contact: *If you have any questions or concerns about this communication, please contact us via the Client Portal or at [our website]."*

I accept IBUK didn't simply switch off Mr N's ability to open new positions, including rolling them, on 13 June 2024. Mr N says this gave him the reasonable expectation he could continue to do so – though this argument might seem to be at odds with his testimony that he didn't receive the 11 June 2024 email. Regardless, I'm satisfied IBUK's 11 June 2024 email made it sufficiently clear what the change was – that from 13 June 2024 it would be removing the IBUK segment from client SIPP accounts and that, "*pending*" this removal, Mr N must not open new positions and that if he still did so IBUK would take steps to remediate his actions, though he could still close positions. So I think IBUK made it sufficiently clear that from 13 June 2024 Mr N should no longer open new positions in the IBUK segment of his SIPP account.

On the face of it I think IBUKL gave Mr N relatively short notice of this change, being only two days. But I don't think this caused Mr N any detriment, because his own testimony is that he was in any case able to continue with his planned trading strategy for several months afterwards. Given this, I think Mr N had a reasonable opportunity to conduct an orderly wind-down if he'd wanted to and so I don't think it would be fair or reasonable for me to conclude that IBUK should compensate Mr N for what he says are his financial losses in not being able to carry on with his same trading strategy. If Mr N had at this point wanted to continue trading in the way IBUK had told him it would no longer allow him to, then I think he could have found an alternative broker through which to do so, and I note that Section 11.2.2 of their agreement allowed either Mr N or IBUK to end Mr N's use of IBUK's services at any time.

Mr N suggests IBUK should have contacted him in the following months to ask why he'd continued placing such trades, and that IBUK may still be allowing FTSE100 index options trading for SIPP customers. But I've seen nothing to make me think IBUK is still allowing such trading. And Mr N was trading as an execution only client, so IBUK wasn't responsible for monitoring or managing his positions; that was for Mr N, and it I'm satisfied IBUK had told him he should not open new positions in his IBUK segment of his SIPP account.

However, IBUK's 11 June 2024 email said Mr N would still be able to close positions in his IBUK segment. And IBUK itself accepts that Mr N should have been able to close a position as he wanted on 11 February 2025 but was only able to do so the next day after calling IBUK about this. Given IBUK accepts it made this error, what's left for me to consider is whether IBUK has done enough to put Mr N back into the position he should have been in had he been able to close the position as he'd wanted to on 11 February 2025.

I see the letter IBUK sent Mr N and our service in June 2025 set out its loss calculation for this, based on comparing market prices at relevant times. And the US\$360 compensation it offered for Mr N's financial loss was based on choosing the best-case scenario for him, plus a further US\$200 for his inconvenience. Mr N says this doesn't adequately address the financial impact of the blocked trade on 11 February 2025. But Mr N hasn't disputed or pointed to any particular inaccuracy in IBUK's calculation of the financial loss he was caused by its delay in closing the position as he wanted, and I think the US\$200 it has offered for his inconvenience is fair and reasonable compensation for the calls he had to make to IBUK in order to have this position closed. And for the reasons I've already explained, I don't think it was wrong for IBUK to no longer allow Mr N to open or roll positions. So, I'm not persuaded that IBUK needs to increase its offer of compensation here. Therefore, IBUK should pay to Mr N the total of US\$560 (or the sterling equivalent) it has itself already offered him, if it hasn't paid this to him already.

My final decision

For the reasons set out above, I partly uphold this complaint. Interactive Brokers (U.K.) Limited has already made an offer to pay US\$560 to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that Interactive Brokers (U.K.) Limited should pay Mr N US\$560 (or the sterling equivalent at the date of payment), if it hasn't already paid this to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 1 February 2026.

Ailsa Wiltshire

Ombudsman