

## **complaint**

Mr P complains that Forex Capital Markets Limited ("FXCM") made a number of errors in its operation of his trading account.

## **background**

Mr P has a forex trading account with FXCM.

Mr P says that FXCM:

- Closed out a number of his positions incorrectly. This was because it had concluded he was in breach of his margin when he wasn't.
- Manipulated certain prices resulting in incorrect losses being debited to his account.
- Consistently applied slippage to positions that was detrimental.
- Failed to account correctly for positions rolled over.
- Changed the margin requirements on certain positions without informing him.
- Prevented him from opening or adjusting a number of positions.

This complaint was considered by one of our adjudicators who came to the view that it shouldn't be upheld. In summary he said:

He was satisfied that on each occasion FXCM closed out Mr P's positions he was in breach of margin. Therefore FXCM had done nothing wrong in closing out the positions that it did. He was also satisfied that FXCM had used the correct prices, on each occasion, in calculating Mr P's losses and it hadn't altered transaction or stop loss prices for its own advantage.

He was also satisfied that there was insufficient evidence to conclude that FXCM:

- Had abused or manipulated slippage to Mr P's detriment.
- Had failed to account correctly for positions rolled over.
- Had failed to advise Mr P (in the manner it had undertaken to do) of changes to its margin requirements.
- Was responsible for Mr P being unable to open or amend positions.

Mr P disagreed with the adjudicator's findings and said:

- FXCM had made errors when calculating the losses on his trades.
- His deposit was more than the required amount to avoid a compulsory liquidation as a result of margin deficit.

- Some of the trades he had entered into were much more likely to have negative than positive slippage and the amount of negative slippage was far more than that of positive slippage.
- He hadn't received any notification from FXCM that its margin deposit requirements had changed, which affected a number of his trades.
- FXCM calculated interest incorrectly on several of his trades.

FXCM said that it had nothing to add to what it had said previously and that Mr P's margin requirements remained at the same level during the life of the account.

### **my findings**

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. However, having done so, I agree with the adjudicator. There's also not a great deal I can add to what's already been said.

Mr P has provided detailed submissions in support of his views. I confirm I've read all of those submissions, but I will not reply at similar length. I hope Mr P won't take that as a discourtesy. It simply reflects the informal nature of our service.

I also don't underestimate Mr P's strength of feeling in this matter. But I consider that there is simply insufficient evidence to conclude that FXCM did anything wrong in this particular case. Having considered both parties submissions very carefully I find that FXCM's explanations and calculations to be the more plausible and persuasive. In other words, I'm satisfied that on the balance of probabilities:

- FXCM was entitled to close out the positions Mr P is complaining about because he was, at the relevant time, in breach of his margin requirements.
- FXCM correctly calculated the losses on the positions Mr P is complaining about and there was no 'price manipulation'. Slippage that was applied to positions closed was done so correctly.
- There were no irregularities with the 'rollover' that was credited and debited to Mr P's account.
- FXCM advised Mr P (in the manner it had undertaken to do) of changes in its margin requirements.
- It wouldn't be reasonable to hold FXCM responsible for what Mr P says was an inability to log onto his account or an inability, when logged in, to open, close or amend positions.

**my final decision**

My final decision is that I don't uphold Mr P's complaint.

I appreciate Mr P will be disappointed by my conclusions. My final decision, however, represents the last stage of this service's dispute resolution procedure. Mr P doesn't have to accept my decision and if he doesn't do so, he will be free to pursue legal action against Forex Capital Markets Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 September 2015.

Peter Cook  
**ombudsman**