

## **complaint**

Mr G's complaint concerns the Contracts for Difference ("CFD") trading account he holds with Plus500UK Ltd ("Plus500"). He says that Plus500 has treated him unfairly and caused him to suffer a financial loss.

## **background**

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

- Over a two year period Mr G had placed a substantial number of trades in currencies, commodities, equities and indices.
- Mr G operated the account on an execution only basis and was therefore responsible for the trades placed.
- He'd seen no evidence that Plus500 had failed to carry out any of Mr G's instructions.
- He'd seen no evidence that Plus500 had acted incorrectly in closing a number of Mr G's positions due to margin calls.

Mr G didn't agree. In summary he said that:

- The way Plus500 advertises the risks of trading CFDs is unfair.
- Plus500 in essence operates a gambling site, not a trading site. It was never explained to him that he wouldn't be trading in the underlying stock.
- Plus500 shouldn't, for a number of reasons, have allowed him to open an account.

The adjudicator considered Mr G's response to his view but wasn't persuaded to change his mind. In summary he said that:

- He was satisfied that Plus500 made it reasonably clear to Mr G the risks of CFD trading and how CFDs 'work'.
- Based on the information Mr G provided to Plus500, or didn't provide, it was reasonable for Plus500 to have opened an account for him.

Mr G still didn't agree so the matter has been passed to me for review and decision.

## **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.

I know Mr G has very strong feelings about this complaint. I want to stress that I've read and considered everything he has provided, but I won't reply at similar length. I don't intend any discourtesy by that; it simply reflects the informal nature of our service.

Having considered both parties submissions very carefully I'm satisfied that Plus500:

- Did nothing wrong in opening a CFD trading account for Mr G given the information he gave it, or didn't give it, when applying to open an account.
- Made it reasonably clear to Mr G the risks involved in trading CFDs and how they 'worked' before an account was opened for him.
- Did nothing wrong in opening or closing the trades on Mr G's account that it did. These either being opened or closed on Mr G's specific instructions or following a correct margin call being made.

I would also add that in coming to the above findings I've had regard to the fact that Mr G was protected from losing more than his deposited capital and that he didn't complain until after he made in the region of 500 trades, most of which returned a profit.

### **my final decision**

My final decision is that I don't uphold this complaint.

I appreciate Mr G will be disappointed by my conclusions. My final decision, however, represents the last stage of this service's dispute resolution procedure. Mr G doesn't have to accept my decision and if he doesn't do so, he will be free to pursue legal action against Plus500UK Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 December 2015.

Peter Cook  
**ombudsman**