

complaint

Miss V complaint is about her CFD trading account with Plus500UK Ltd. Although she's raised a number of concerns about the way Plus500 operates, her main concern is the business didn't send her text messages when there were margin calls. She says this resulted in her positions being closed.

She also says Plus500 wrongly prevented her at times from crediting money to her account.

background

An adjudicator considered the complaint and although he accepted that Miss V had requested text messages from Plus500 to notify her when there was a margin call on her positions, he didn't think it was reasonable for her to have relied on text messages to manage her account.

He also pointed out that even if text messages had been sent, Miss V's positions might still have been closed.

The adjudicator noted that Miss V had made over 1,500 trades. He thought it was reasonable to suggest she accessed her account on a frequent basis, which would have allowed her to see the position of her trades and to act accordingly, without having to wait for a text message.

The adjudicator also noted that a number of Miss V's attempts to credit her account had failed because her bank had refused to authorise the credits.

In summary, the adjudicator concluded Miss V's complaint shouldn't succeed.

Miss V didn't agree with the adjudicator's conclusions and made the following points (among others):

- She was unsure if the ombudsman service was capable of properly investigating her complaint. She thought a thorough audit of all her transactions was required. The ombudsman shouldn't simply accept Plus500's word for what had happened.
- She did receive text message for some of her trades, but not during a crucial period.
- She was critical of the fact that Plus500 had apparently lost or deleted parts of its records for her account.
- It wasn't possible for her to sit in front of her computer all the time.
- If a text message had been sent she'd have been able to send the funds immediately.
- Sometimes she'd been unable to deposit more funds as she received messages to say that she'd exceeded the level of deposits allowed for the week.
- While there was evidence of Plus500 sending text message for recent trades, there was no evidence that text messages had been sent for the older trades.
- One of the decisions published on the ombudsman's website appeared to lend support to Miss V's case.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm sympathetic to Miss V because

(a) she's lost a lot of her money and (b) she's convinced that Plus500 has fraudulently manipulated its systems and her account in order to make her lose that money.

An ombudsman investigates individual complaints but she or he isn't a regulator. So I haven't carried out an investigation into Plus500's business practices generally. What I have considered is whether Plus500 has treated Miss V unfairly.

I don't think it's likely Plus500 singled Miss V out for unfair treatment. What Miss V seems to be saying is that on the one hand Plus500 deliberately encouraged her to pay a lot of money into her account and on the other hand it fraudulently prevented her from paying further money in. I realise of course Miss V is arguing that this apparent contradiction is explained by Plus500 manipulating the situation to its advantage. But I'm not convinced such a sophisticated, fraudulent system was in operation.

The type of trading in which Miss V was engaged was, as she must have known, highly risky. There were high stakes, and a high risk of loss. Those risks are mitigated – for both Plus500 and its customers – by the automatic closure of positions when there's not enough margin.

The terms and conditions which govern the customer relationship are of central importance. They set out the basis on which Plus500 is prepared to do business. In particular, they set limits on the risks Plus500 is prepared to expose itself to.

The terms and conditions give Plus500 the right to act as it did, in both crucial areas affecting this complaint. They entitled Plus500 to close Miss V's positions without notifying her of margin calls by text. And they entitled Plus500 to limit the number of attempted credits to Miss V's account. There's no reason for me to find fault with what Plus500 has done.

Before reaching this decision, I queried with Plus500 its basis for limiting the attempted credits to Miss V's account. I'm satisfied it applied its usual approach (the detail of which I mustn't disclose as it relates to Plus500's security procedures) without discriminating against Miss V.

Finally, the wording which Miss V referred to, from a published ombudsman decision, wasn't the ombudsman's finding. The ombudsman was merely reporting what the consumer had said.

my final decision

I'm sorry to disappoint Miss V but I don't uphold her complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 19 October 2015.

Roger Yeomans
ombudsman