

complaint

Mr D complains that Plus500UK Ltd ("Plus500") closed his trading account without warning and cancelled the profits he had made.

background

Mr D opened a contract for a difference trading account in early 2013, funded the account via a wire transfer and began trading in oil. Over a period of around five weeks, Mr D made over 70 trades, only two of which were loss-making, amassing a profit of over €80,000. Plus500 then informed him that he had failed its due diligence checks and closed his account, refunding his deposit but not his profit.

One of our adjudicators considered this complaint and did not uphold it. In summary, he said that the business closed Mr D's account as it believed that although the account was in the name of Mr D, the actual user was another person, who I will refer to as "Mr E". It reached this conclusion for the following reasons, which our adjudicator considered reasonable:

- Mr E's account was closed earlier in 2013 on the grounds of suspected market abuse. Plus500 told us Mr E was found to be a professional derivatives trader.
- Mr D's trading followed the same pattern as Mr E's in being in oil, nearly always profitable and taking positions that required very large initial margins.
- Mr D's account had accessed Plus500's systems using the same computer and the same IP address as Mr E had used.
- Mr D was the third customer to use the same computer and IP address. A second had opened an account and followed the same pattern two months before Mr D, giving an address very similar to Mr D's.

Mr D did not accept the adjudicator's conclusions. In summary, he said that all the data he had provided to the business was correct and accurate and that he did not believe it would be possible to have insider knowledge of international commodities.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusions as the adjudicator and for essentially the same reasons.

Plus500's customer agreement says that *"You are responsible for ensuring that you alone control access to your account credentials and that... no other person is granted access to the trading platform using your account credentials"*. There are other similar clauses later in the agreement. I have reviewed the log of Mr D's trades and I find that his trading pattern matched Mr E's closely. Given that Mr D's account was being traded in the same way, in the same product and from the same computer and IP address as Mr E used, I consider it reasonable of Plus500 to conclude that Mr D was in breach of this clause.

In addition, the customer agreement says that *"In the event that we become aware of any...impropriety in the Registration Data we may suspend your account... We reserve the right to cancel trades should you be in breach of this paragraph."* I note that Mr D has made

the point that all the information he gave to Plus500 was accurate. That may be the case and I make no finding on this. The question here is not whether the account opening information was accurate, but whether the account was then operated by the person whose data was given. For the reasons set out above regarding the operation of the account, I consider it more likely than not that the account was not operated by the same person.

I am satisfied that it is reasonable to consider the fact that the account was being traded in the way set out above as an impropriety within the terms of this clause. I therefore consider that this gave Plus500 the discretion to close Mr D's trading account and void his trades. I conclude that Plus500 was not at fault in this case.

my final decision

I do not uphold Mr D's complaint against Plus500UK Ltd.

Louise Bardell
ombudsman