

complaint

Mr J has complained about a CFD on-line trading account set up with Plus500UK Ltd. He considers that the firm manipulated trades that he had placed and encouraged him to deposit more money making his trades higher risk. He is unable to access his account and wants a refund of the £800 he deposited

background

Mr J opened an execution only CFD account with Plus500 in December 2013. At the time he opened the account he indicated that he had previous investment experience of securities, options, futures, commodities and CFD trading.

Mr J opened a position in GBP/JPY what was later closed due to there being insufficient margin in his account. He was unable to reopen his closed position. Mr J then complained to Plus500.

An adjudicator looked at Mr J's complaint but didn't recommend that it should be upheld. In summary she said that:

- Mr J's account was on an execution only one. This means that the account holder is responsible for all the trading decisions on the account.
- The User Agreement set out how the account would be operated and Mr J was made aware of the high risk nature of CFD trading. It was therefore unclear why Mr J chose to open the account if the risks were not acceptable to him.
- Mr J's complaint appeared to be triggered by a margin call on a trade he had placed in GBP/JPY. Whilst she appreciated Mr J's concerns that Plus500 had closed his position, she was satisfied that this was in accordance with the User Agreement
- Mr J had accepted. She also considered that margin calls were used by firms to protect them as well as account holders.
- She had seen no evidence that Plus500 had manipulated prices when it closed Mr J's position.
- Evidence supplied by Plus500 showed that Mr J's account was suspended after he had disputed three transactions with his two credit card providers. Mr J was made aware that if he removed the disputes with his card providers, Plus500 would then consider re-activating his account.
- As an execution only account holder, Mr J remained liable for any losses made on the account.

Mr J did not agree with the adjudicator and said that:

- When his account was suspended, Plus500 told him to reset his password. He was then told his account had been suspended because he had opened a dispute with his credit card providers. After that, Plus500 stopped replying to his emails.

- He maintains that Plus500 manipulated the settings on his account. He considers Plus500 increased the risk of his account.
- When he deposited more money to make his trades lower risk, Plus500 closed his open position due to a lack of credit on his account.
- He suggested that Plus500 provide a copy of its program code which should be examined by a software expert.
- He queried Plus500's Money Laundering procedures as he had been provided with a copy of account opening information that was not his.

The adjudicator was not persuaded to change her view of Mr J's complaint.

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 agree with the adjudicator that:

- The firm acted correctly when it closed out a position due to there being insufficient margin in the account.
- After Mr J disputed a number of transfers into the account with his credit card company the firm acted reasonably in freezing the account.

I appreciate that Mr J feels very strongly that the firm has in some way manipulated his account to enable it to profit at his expense. However, having looked at all of the evidence there is, I can see nothing which supports Mr J's arguments. Without any evidence I can't conclude that the firm has done anything wrong.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 February 2016.

Michael Stubbs
ombudsman