

complaint

Mr F's complaint is about the administration of his spread betting account with IG Index Limited. IG closed three positions he held in GBP/USD. Mr F is unhappy IG closed his positions causing a large loss.

Mr F thinks he had guaranteed stop loss orders which should have prevented the loss. He also thinks IG did not give best execution for the closing trade and delayed it.

More generally Mr F thinks IG unfairly targeted him for a spread betting account as he has a problem with gambling.

Mr F wants IG to refund his losses, remove the negative balance on the account and apologise.

background

The disputed trades occurred one night when there was a "flash crash" on GBP/USD. The value of the pound did recover but not before Mr F's positions were closed causing him significant loss.

IG's position is that the high level of volatility meant there was a margin call and trades were triggered because of the level of running losses. Because of the volatility on this popular currency trade it had a large number of orders to fill and they had to be done manually which takes some time. It says it made the trades as quickly as it could and that Mr F is liable to clear the negative balance he now has on his account.

One of our adjudicators considered Mr F's complaint. She didn't think it should be upheld. She said there's no evidence Mr F was targeted by IG to open an account with them.

Also there's no evidence to show a guaranteed stop loss had been placed. She said IG acted in accordance with its terms and conditions in closing the trades and had not acted unreasonably.

Mr F doesn't agree.

my findings

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

The events this complaint is about happened on a "flash crash" on 7 October 2016.

I note Mr F opened his account three years before those events. He had a fairly high level of income and savings and investment experience. There's no evidence that a gambling problem was disclosed. Nor is there any evidence that Mr F was targeted because of a gambling problem. And I note Mr F was able to maintain the account without problems and trade actively on it for three years before the large losses he suffered on the night of the flash crash.

In the circumstances I can't see there was anything unfair in providing Mr F with a spread betting account.

There's no evidence that Mr F did place guaranteed stop losses – and there should have been some record if Mr F had made them. I also note that Mr F has never said what the stop losses were, only that he thought he had placed them.

It's possible that stops were ordered and that all records of them have been removed either accidentally or deliberately. But Mr F misremembering is also a real possibility. I can't say that Mr F's recollection of events is the most likely explanation. So I can't reasonably uphold his complaint on this point.

There's also no evidence that IG acted unreasonably or unfairly in the timing of the sale or in the prices achieved in closing of the positions.

I do not therefore uphold Mr F's complaint against IG.

my final decision

I do not uphold Mr F's complaint against IG Index Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 22 June 2017.

Philip Roberts
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