

The complaint

Ms O complains that a technical problem on IG Markets Limited's platform prevented her from managing her Contracts for Difference (CFD) trading account. This led to IG Markets Limited liquidating her positions when she had insufficient margin to keep them open.

What happened

In November 2021 Ms O had a number of open positions on the Wall Street market. At around 12:31 UK time, IG proceeded to close her open positions due to her account having insufficient margin to keep them open.

IG looked into her concerns, but didn't agree to uphold her complaint. In summary it said:

- At 12:31 on 5 November 2021 Ms O's account had around £34,751 equity (the difference between her cash balance and her running losses), and required margin of £17,340 to keep her positions open. As this was less than 50% of her account equity, it proceeded to close her open trades.
- It said shortly before this incident non-farm payroll data had been released which caused significant volatility in the market she was trading on, and increased her running losses.
- It had no record of Ms O attempting to close any trades before the closeout and its technical department had no reports of any IT errors.

Ms O remained unhappy and referred her complaint to this service. One of our investigators looked into her complaint, but didn't think it should be upheld. In summary, she said that Ms O's terms allowed IG to take the action that it did. The terms said that IG could close or part close any open Transactions on an account if the account balance, taking into account profits and losses, was equal to or less than 50% of the client's total initial margin requirement to open the transactions. The investigator also concluded that there was insufficient evidence to substantiate Ms O's claims that she had been prevented from closing the trades herself.

Ms O didn't agree. She said that she never consented to IG closing as many positions as it wanted to in order 'to clear her margin completely'. She said that she wouldn't have complained if IG had only closed enough positions to restore her margin to 50%. She said that's what she tried to do herself but was unable to. She said that IG closed 'way more' than necessary and this caused her financial losses.

What I've decided – and why

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

I've taken into Ms O's submissions, and I can confirm I've read her explanation of her difficult circumstances – I'm very sorry to hear about what she has been going through. I understand

why she has made the complaint that she has.

However, my role requires me to act independently and impartially and to decide, within that remit, whether IG has acted fairly and reasonably.

In this case, I agree with the investigator that there is insufficient evidence to show that IG's systems prevented Ms O from closing trades herself before she went into margin deficit. In the absence of such evidence, whilst I've taken into account Ms O's testimony, I'm not persuaded it would be fair and reasonable to hold IG responsible for a technical malfunction that I have little to no evidence for.

The crux of Ms O's complaint is IG's approach to the closure of her positions, but here too I agree with what the investigator has said. The terms are clear that IG can close all or some open trades in situations where a client account has less than 50% of the required margin.

And the rules as laid out in COBS 22.5.13 aren't prescriptive about what a firm must do in those circumstances. They simply say that 'where a retail client's net equity falls below 50% of the margin requirement, the firm must close the retail client's positions on restricted speculative investments as soon as market conditions allow'. This is what IG did, and this is what the terms say IG will do. Whilst I appreciate Ms O's reasons for saying that IG could've done things differently, that isn't enough for me to say that it would be fair and reasonable to hold IG responsible for Ms O's losses (which had been incurred as a result of her trades, not something IG did or didn't do). Nor is her claim that she missed out on an improved price in this particular market, because that's not something either she or IG could've known at the time.

I'm satisfied that in the particular circumstances of Ms O's case, IG acted in line with the terms and its regulatory obligations by closing Ms O's open trades when her account fell below 50% of the margin she required.

My final decision

For the reasons I've given above, I don't uphold Ms O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 19 December 2023.

Alessandro Pulzone
Ombudsman