

## **The complaint**

Mr S complains that IG Index Limited trading as IG closed most of his spread-betting positions without notifying him that it would do so. He complains that given the size of his investment, it ought to have notified him by phone to give him notice that it would close his positions and allowed him to resolve the situation.

## **What happened**

Mr S had a spread-betting account. On 22 April Mr S's open positions were closed due to insufficient margin as he had less than 50% of the required margin in his account. As a result of the closures of these positions a loss of over £63,000 was realised.

He complained to IG about this and said that he ought to have been told this was about to happen, and furthermore, that he had tried but been unable to add funds to his account.

IG looked into this complaint but didn't think it should be upheld. In short, it said that it was Mr S's responsibility to monitor his account and ensure it had sufficient margin. It said that his login record showed that he was logged in at relevant times, in particular after his account fell below 100% margin – so he would've been aware of the size of his unrealised losses and what was happening.

IG also said that it could see Mr S had difficulty accessing the platform at around 8.27pm UK time, but this was a number of hours after his trades had been closed. In terms of Mr S attempting to call IG as he was having difficulty making payments, it found no evidence of any calls from Mr S nor any record of any issues of customers being unable to reach it via phone, or having difficulty depositing funds.

Mr S remained unhappy with IG's response, and referred his complaint to this service.

One of our investigators looked into Mr S's complaint but didn't think it should be upheld. In short, she felt that Mr S was under an obligation to monitor his account continuously and be aware of his margin requirements. She said that Customer Agreement between Mr S and IG didn't require it to notify him by telephone before a margin call. And it was clear from the evidence that Mr S had accessed the account a number of times after it fell below 100% margin and therefore he would've been aware of the situation.

She considered Mr S's evidence that he had telephoned IG about difficulties he was having making payments, but didn't think she had sufficient evidence to confirm that this is what prevented him from funding his account – and she noted that IG had no record of any technical issues preventing consumers from funding their accounts.

Mr S didn't agree with the investigator and asked for an ombudsman's decision.

## **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 understand Mr S's frustration with the situation and why he believes his complaint ought to be upheld.

I've first considered whether IG acted fairly and reasonably when it closed Mr S's positions due to insufficient margin. On 22 April Mr S had a cash balance of £69,762.86 and his running loss (that is the loss that had not yet been realised on his open positions) was £66,717.65 – so the total equity on his account was £3,045.21. IG has confirmed that at that moment in time, its total margin requirement was £6,109.79 and so at that point, he only had 49.83% of the total margin required to keep his positions open. This meant that under the relevant rules, IG had to take action on his account, and this included closing his open positions, which is what it did. I'm satisfied this was fair and reasonable.

Mr S has also complained that he was not called or notified via email that his account was in margin deficit. I've considered this aspect of his complaint carefully. The terms say that IG can notify clients of a margin call, but isn't obliged to do so. In my experience, an email notifying a client of insufficient margin or the need to take action is very common, although as IG has also explained this can't be guaranteed – particularly at volatile times when the market might be moving very rapidly.

I've not seen sufficient evidence to explain why an email wasn't sent to Mr S at the time, but I'm not persuaded this materially affects the outcome of his complaint. There's no dispute that Mr S was aware he needed to take action on his account. I say this because:

- He logged into multiple times during the period in question, including around 2 hours before all his positions were closed – so he would've been able to see the size of his unrealised losses, the impact this was having on his margin requirement and how close he was getting to going below the 50% level required.
- He has said himself that he tried funding the account but was unable to.

So whether or not Mr S received an email wouldn't have made a difference – because Mr S was already aware of the situation, and already knew he had to fund his account.

I've therefore considered whether there's sufficient evidence to persuade me that Mr S was prevented from funding his account through a technical issue or problem on IG's platform, but I'm not persuaded there is. The log of calls Mr S has provided isn't enough – it simply shows two attempted calls of very short duration. Even if what Mr S says is true about the calls being cut-off, I would've expected him to make other attempts, for example via IG's chat service, or to have simply funded his account online or via the app. There was no requirement, as far as I'm aware, for Mr S to fund his account on the phone.

I'm also persuaded by IG's evidence that it has no record of any calls from Mr S, and importantly, no record of any issues on its website to do with payments or clients not being able to fund their accounts.

Taking all this into account, I'm therefore persuaded that IG has acted fairly and reasonably in this case. Whilst I can understand why Mr S is dissatisfied with what happened, I think it's also important that I add that IG's actions did not cause the losses Mr S is claiming.

Mr S already had these losses running on his account, and they were derived from the difference in the opening and prevailing prices of the instruments he was trading. IG's actions realised these losses in a way that meant his account's cash balance was now only the net equity he had – so overall, his net financial position was the same.

**My final decision**

My final decision is that I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 April 2024.

Alessandro Pulzone  
**Ombudsman**