

## Spread Co Terms of Business – Summary Document (CFD)

Please read this Summary Document carefully alongside the Terms of Business ("ToB") and Key Information Documents. Before using our products and services, you must be aware of the risks so that you can make an informed decision as to whether our products and services are right for you.

Defined terms in this document are as defined in Schedule 1 to the ToB. We have detailed the most relevant clauses of our ToB with respect to the information below, you should refer to these clauses for more detail.

### About us

We are Spread Co Limited ("**we, our, us**"), a company registered in England and Wales (Company No. 05614477). We are authorised and regulated by the Financial Conduct Authority ("**FCA**") (FRN: 446677). For more information, please visit our website: [www.spreadco.com](http://www.spreadco.com).

### Our products and services

We provide an online trading platform that allows you to trade CFDs and Spread Bets that relate to underlying financial instruments or assets such as shares and commodities (called "**CFDs**" in this document).

#### **69.3% of retail investor accounts lose money when trading CFDs with us.**

CFDs are high risk and volatile products that may result in a financial loss; you should only trade with money that you can afford to lose (ToB: clause 2.2).

We provide our services on an "**execution-only**" basis. This means that we do not provide management services, investment advice or recommendations. Therefore, **you are responsible for all of the decisions** you make (ToB: clause 2.1).

### What are CFDs?

Our CFDs are regulated financial instruments that are traded "**over the counter**" which means that they are not traded on an exchange or market (ToB: clause 2.2(f)).

When you enter into a CFD you are entering into a **bilateral contract** with us. Our CFDs cannot be sold, traded or exchanged with anyone else. Therefore, you can only close a Trade with us (ToB: clause 2.2(f)).

When trading CFDs, you are not buying or selling the underlying asset. You are speculating on whether the price offered by us for the underlying asset will rise or fall. **You have no interest in any underlying asset** (ToB: clause 2.10).

Because CFDs are not listed on an exchange, the prices of the CFDs are derived by us in accordance with our **Execution Policy** (ToB: clause 6; Execution Policy).

### Target market

#### **Who can open an Account?**

You must be over the age of 18 to open an Account with us.

You will be categorised as a **Retail Client** unless you agree with us to be classified as a **Professional Client**. You are responsible for informing us in writing of any **material change** in your personal circumstances that affect your classification as a Retail or Professional Client (ToB: clause 1.4).

Professional Clients lose the regulatory protections set out in clauses 1.5(a) to (f) of the ToB, including accepting the risk of making unlimited losses and receiving less disclosure of risks prior to using the Services.

### **Who are our products and services appropriate for?**

As CFDs are complex products, you must meet an **eligibility criteria** and you must have enough knowledge or experience to **understand the risks involved with using the Services**. We will assess this based on the information you give us.

You should only use our Services if you have **knowledge or experience** of trading and have an understanding of the relevant financial instrument you wish to trade (ToB: clause 2.2).

In addition, you must only use your Account and the Dealing System for yourself and **you must not trade on behalf of others** (ToB: clause 2.8).

If you do not meet the above criteria, our Services are not appropriate for you.

### **Leverage and Margin**

We allow you to enter into Trades using leverage, which **materially increases your risk** when you trade.

Using leverage means you can enter into a Trade without paying the full value of the Trade. You are only required to **deposit a fraction** of the value. This deposit is called "**Margin**".

This is a high-risk investment strategy as your **profit and loss are calculated on the full value of your position**. Therefore, a small price movement in your favour can result in a good return on the Margin however if the price moves against you, you may incur significant losses.

The Margin required may change whilst your Trade(s) are open. This may occur, for example, because the value of your Trade(s) have changed.

We will try to notify you when more Margin is required. This is called a "**Margin Call**". However, Margin Calls are not always possible, particularly if trading conditions are uncertain or if the market is volatile.

Therefore, you will need to **actively monitor your Open Trades and Orders** and make sure you have enough money in your Account to meet the Margin requirements, and deposit more money if needed.

For more information about Margin, please see clause 8 of the ToB.

### **Fees**

You will incur different fees when you use the Services. Costs may be incurred when you place a Trade, close a Trade, as well as keeping Trades open.

An important fee we charge is the fee for keeping your positions open overnight (this is referred to as "**overnight interest**" in clause 10 of the ToBs). Our fees are set out in the Fees List which is provided to you when you create an account with us.

We may **automatically deduct money** from your Account to satisfy any fees due to us, if there is sufficient money in your Account to do so.

In addition, although this is technically not a fee you pay, every Trade is subject to a "**Spread**". The Spread is the difference between the buy and sell prices and is a common way trading platforms charge for trading. Please see clauses 2.2(f) and 7.3 of the ToB for more information.

### **Client money protection**

We keep the money we receive from you separate from our own money. This means that your money cannot be used by us in the course of our business (ToB: clause 13).

### **Financial Services Compensation Scheme**

In the event of our insolvency, you may be eligible to claim compensation from the Financial Services Compensation Scheme (FSCS) of up to £85,000. FSCS is not available to every client e.g., professional clients cannot claim under the scheme. More information on FSCS can be found at: <https://www.fscs.org.uk/> (ToB: clause 25.6).

### **Complaints procedure**

You can submit a complaint in writing or over the telephone:

- Email: [cs@spreadco.com](mailto:cs@spreadco.com)
- Post: Spread Co Client Services, 1st Floor North, Argyle House, Joel Street, Northwood Hills, Middlesex HA6 1NW
- Telephone: +44 (0)192 383 2682

Your complaint will be dealt with fairly and promptly. However, if you are not satisfied with how we have handled your complaint, you may refer it to the Financial Ombudsman Service (ToB: clause 25.5).

### **Termination**

The Agreement will continue until it is terminated by you or us providing written notice to the other (ToB: clause 19).

### **Key risks**

In certain circumstances we have the right to close your Open Trades, for example:

#### ***Margin shortfall and outstanding fees***

If you do not have enough money in your Account to meet your margin requirements, or if you do not pay our fees when they are due, we have the right to close some or all of your positions (ToB: clause 9.3).

***Volatility and market events***

Market events can quickly impact the price of an underlying asset. We have the right to take appropriate action in such circumstances, including closing some or all of your positions if the market in a particular underlying asset falls excessively, or falls to zero (ToB: clause 9.3 and clause 9.4).

***Supporting underlying assets***

We have the right to stop supporting underlying assets. If we stop supporting an underlying asset and you have an Open Trade on a CFD with that underlying asset, we have the right to close that position (ToB : clause 9.3).

***Events of default***

We have special rights where there is an event of default. Please familiarise yourself with clause 18 of the ToB.

***Foreign exchange rate***

If your Account is denominated in a currency that is different to the currency of the money that you deposit (for example your Account is denominated in USD but you deposit GBP), then we will carry out a currency conversion for you at the end of every month. We set the exchange rate which means our rate may be different to the market rate (ToB: clause 14.4).

***Availability of the Dealing System.***

As the Dealing System is an online system, we cannot guarantee that it will always be available or uninterrupted (ToB: clauses 6.6; 28.4).