

ShortsandLongs.com

→ Risk Warning

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Risk Warning Notice

Shortsandlongs.com is a trading name of Spreadex Limited, which is authorised and regulated by the Financial Services Authority, hereafter known as FSA.

This notice is provided to you, as a retail client, in compliance with the rules of the FSA, as you are proposing to undertake dealings in financial instruments in the form of spread bets with a firm which is carrying on investment business as a financial bookmaker. Retail clients are afforded greater protections under these rules than other clients are and you should ensure that your firm tells you what this will mean to you. This notice cannot disclose or explain all the risks and other significant aspects involved in dealing in such spread betting products. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. Spread Betting carries a high risk to your capital. These transactions differ markedly from the more common form of fixed odds betting, where your potential losses are pre-determined in advance, you should not engage in this form of betting unless you understand the nature of the transaction you are entering into and the true extent of your exposure to the risk of loss. The amount that you may win or lose will vary according to the extent of the fluctuations in the price of the underlying markets on which the bet is based. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position, as well as your investment objectives. This product is unsuitable for many members of the public, and in deciding whether to participate in this form of betting you should be aware of the following points:-

1. The high degree of 'gearing' or 'leverage' (these terms refer to the fact that spread betting allows you to buy [or sell] a financial product with substantially less money than the actual full market value of that financial product), is a particular feature of this type of transaction. This stems from the initial financial requirements applicable to such bets which generally involve a comparatively modest deposit or margin in terms of the overall market value of the bet involved, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on your bet. If the underlying market movement is in your favour, you may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of your entire deposit, but may also expose you to a large additional loss over and above your initial deposit. This is why at Shortsandlongs.com, free guaranteed stop-losses are mandatory with each bet you make. So although you can lose more than your stake, you can not lose more than your total deposits, as your bet is closed at either your stipulated pre-set level or once all deposits have been extinguished to cover the running losses.
2. Such transactions will not be undertaken on a recognised or designated investment exchange and, accordingly, they may expose you to greater risks than exchange transactions. The betting structure and betting rules will be established solely by Shortsandlongs.com pursuant with FSA Conduct of Business rules. For example, if you wish to close the bet earlier than the time at which it would otherwise automatically expire you will have to close it at Shortsandlongs.com's quotation which may reflect the premium or discount of the 'underlying market' (this quote is always based upon the prices received from the various financial exchanges around the world). When the 'underlying market' is closed Shortsandlongs.com's quotation can be influenced by the weight of other clients buying or selling with them. You will have to close any bet with the same bookmaker with whom it was originally entered into.
3. Where entering into such transactions, Shortsandlongs.com must do so under a Customer Agreement pursuant to the FSA Conduct of Business rules, unless exempted from doing so. You should satisfy yourself that dealing is conducted throughout in strict conformity with that Customer Agreement and report to the FSA if you have reason to believe it is not.
4. Prior to placing any bets, you should review on the Shortsandlongs.com website details of all transaction or other charges for which you will be liable.
5. As a result of section 412 of the Financial Services and Markets Act 2000, the bets in this case are enforceable and Shortsandlongs.com may be sued by you (if you win) and may sue you (if you lose).

6. The mandatory free guaranteed stop-loss limits the extent of your liability for loss in a transaction to an amount agreed by you prior to entering into such transaction, but you may sustain such loss in a relatively short time. You should take particular note of this aspect as specified in the [Shortsandlongs.com](#) Customer Agreement.
7. [Shortsandlongs.com](#) is prohibited under FSA requirements from providing you with investment advice relating to investments or possible transactions in investments or from making investment recommendations of any kind. This prohibition is subject to an exception where advice given amounts to the giving of factual market information or information, in relation to a transaction about which you have enquired, as to transaction procedures, potential risks involved and how those risks may be minimised.
8. [Shortsandlongs.com](#) is required to hold your money in segregated trust accounts in accordance with the regulations of the FSA, but this may not afford complete protection. This provision shall not apply in circumstances where, under the FSA rules, [Shortsandlongs.com](#) is not required to hold your money in segregated trust accounts.
9. If you deposit collateral as security with [Shortsandlongs.com](#), you should ascertain from them how your collateral will be dealt with.
10. If you have reason to believe that [Shortsandlongs.com](#) is not acting in accordance with representations that it has made to you, the terms of your Customer Agreement or the rules of the FSA, you should report it to:
Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Tel: 0845 080 1800.