

Exclusive: ActivTrades CEO Alex Pusco Sees Massive Growth in Mobile

The CEO of brokerage ActivTrades, which generated \$45 million in revenues in 2016, speaks with Finance Magnates.



Victor Golovtchenko | [Brokers \(Retail FX\)](#) | Tuesday, 20/06/2017|08:05 GMT



Photo: Bloomberg



Alex Pusco, CEO of ActivTrades

The retail foreign exchange industry has been gaining a lot of traction in recent years, but the overwhelming feeling that a period of transformation is upon us has been voiced by numerous senior executives. Changes in the regulatory landscape, technological challenges, and most recently low volatility in FX as an asset class are contributing to a complex environment in 2017.

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ActivTrades is one of the companies in the industry that has managed to continue expanding throughout the years, regardless of market conditions. The broker reported rapid growth for 2016, marking \$45 million in revenues and over \$16 million in profits. Alex Pusco, the CEO of the company, agreed to an exclusive interview with Finance Magnates to share his thoughts on the industry.

What is the main driver for the continued growth of ActivTrades in recent years?

The quality of our customers' experience is a priority for us. That's why we give immediate support to current and prospective clients in 14 different languages. We aim to have an operator instantly available on the phone and over our live chat, the latter of which is now often preferred by clients. Our response time to email queries is also outstanding, as most of them are picked up within an hour. Our customer service teams are also expertly trained in how to communicate and resolve all sort of queries.

Getting the best execution, low spreads and server stability are equally important. The long-term driver for us is the combination of all these factors together with our excellent support. bDue to our efforts we are also the proud preferred broker for 13,000 active traders across the globe with a monthly trading volume of over \$87bn on average.

Where are you investing the most and why?

The industry is incredibly competitive and it is vital that we anticipate shifts in consumer behavior and introduce the best technology in order to stay ahead of the competition.

Being able to provide an excellent mobile experience to our clients is paramount. This means a fully responsive website and trading platforms that meet the expectation of traders going mobile. We are able to provide such features through our available trading platforms – MetaTrader and ActivTrader.

Our internal development team is striving to get our ActivTrader platform onto iPad and Android as well. We are

heavily investing in mobile trading as currently 20% of our client's trade on the go.

I believe that in the short term, 90% of our trading volumes may come from mobile devices. Tablets can almost completely substitute laptops and that's the reason why we are focusing on improving every aspect about mobile experience.

Do you think that offering multiple asset classes helps a brokerage gain more clients? How are trading volumes distributed amongst asset classes?

While having multiple assets might help to diversify your investment portfolio, it is undeniable that Forex and Indices are the most popular assets. In fact, Forex represents 76% of our total trading volume and indices accounts for more than 21%. After that comes Metals, Commodities and we cannot forget our shares CFDs which are traded for part of our retail traders too.

But once again, products alone do not make the difference. You also need a value proposition with real advantages: precise execution, advanced technology, client protection and highly skilled customer support. In short, you can only have a successful business if your clients are fully satisfied.

Most of your clients are based in the EU. What is the current distribution between EU and non-EU clients and what are the trends that you expect when it comes to client growth?

Germany, Italy, UK, Spain and France are our main European strongholds and our goal is to strengthen our position in these territories.

We are, however, seeing our non-EU clients catching up: right now they represent 36% of our total clientele, with South America leading the list, accounting for more than 18% of our customer base.

Given these current figures, we project that about half of our customers may be non-European clients by the end of the year.

Regulation and New Locations

How do you expect the FCA's upcoming regulatory revamp to affect retail brokers? Are changes to leverage or onboarding processes more important for FCA regulated brokers?

We welcome new regulations from the FCA simply because they will safeguard and protect traders. The driving intention, is to protect the consumer and this can only be good for the industry. That being said, it is very important that regulations for Forex and CFD trading are harmonised across Europe to provide a safer place for traders and to enhance the industry's reputation.

This industry has significant potential for growth with an increasing number of retail clients showing an interest in online trading. This means that all financial brokers should ensure they have the highest standards on regulatory systems.

Inconsistent rules in different European countries is indeed quite confusing. Germany, Belgium and France recently adopted different governing rules for CFDs, which affect client interactions in differing ways.

BaFin, for instance, as is well-known now, has confirmed plans to enforce a negative balance protection on CFD trading, which will mean consumers cannot lose more than what they invest. ActivTrades adopted this practice back in 2013 and we are delighted to see that it is becoming a standard practice.

You recently opened an office in Dubai. What is the main direction of your expansion?

The Middle East market has seen undeniable growth in the last 10 years, and to meet the growing demand we have opened this new office, situated in the International Financial Centre, from where we can offer a bespoke service to these clients.

Since launch, our office in Dubai has been growing at a good pace. Presently more than 17% of our active clients from the Middle East are based in the UAE. We are confident that with these new resources in the area, we can see this figure doubling or tripling in the coming quarters.

The Middle East is an important market for us and the launch has been exciting. That said, we remain focused on the many clients we have in other areas and in trying to improve what we offer in all markets.

How did you tackle payment processing challenges in the South American market?

The challenges in this space vary from country to country and processing of credit card payments remains difficult. For the South American market, wire transfers work best for the time being. Recently we added a few new e-wallet payment methods that work quite well – we normally credit deposits within 30

minutes and withdrawals can reach clients' accounts on the same day.

Slowly but surely, the South American market is opening up and developing further.

What is the best way to establish trust in a new region?

There is no easy way – and no quick way, come to that. You need to invest significantly in a market over an extended period. First, we examine our competitors' offerings and aim to satisfy the needs they are not meeting, demonstrating that we are an innovative business that can add real value for local traders.

Trust is about putting your clients in front of your own interests. Our commitment to this is reflected through different safeguards that we have implemented along the years, such as our policy against negative balance or our special insurance which protects client funds up to £500,000.

We also implement high-profile branding campaigns, particularly online, so traders get to know the advantages of trading with us as well as our new products and services.

Growth and customer satisfaction are also inextricably linked. According to our own statistics, 43 per cent of new applicants claimed they heard about ActivTrades from other traders and 95 per cent of our clients would recommend us.

What are your investment plans for 2017 and how are you tackling recent low volatility?

Our investment plans for 2017 are focused on 2 main areas – enhancing our customers’ experience and strengthen our brand locally and internationally. On the way, Brexit might bring new challenges for which we will need to be prepared. For instance, it might be necessary to open a subsidiary in Europe – perhaps Dublin – from where we could get the multilingual employees we need and keep offering our services to European clients.

About the second question, it is true that the first quarter of this year was a good test for us, as we haven’t seen such low volatility across multiple markets. Traders in general, especially the new ones, are more inspired by assets which experience movements at a given time. Despite the low volatility, we managed to remain profitable because our structure is cost-effective.