

Trading Glitch Loses Goldman Sachs Millions

USA
August 20, 2013

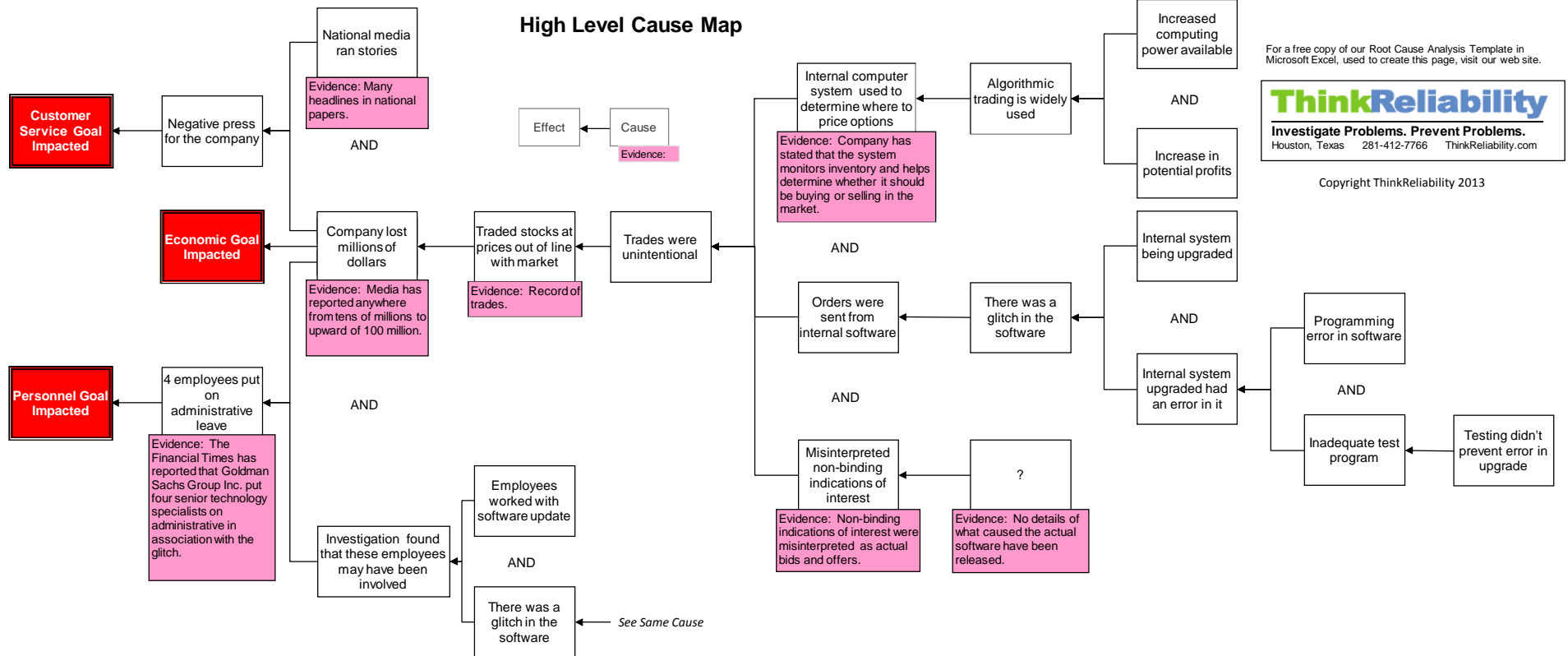
A Goldman Sachs trading glitch on August 20, 2013 caused a large number of erroneous single stock and ETF options trades. About 80 percent of the errant trades were cancelled, but the financial damage is still speculated to be as much as one hundred million dollars. The company also finds itself once again in the uncomfortable position of making headlines for negative reasons which is never good for business.

The glitch occurred during an update to an internal computer system that is used to determine where to price options. The update changed the software so that the system inadvertently misinterpreted non-binding indications of interest as actual bids and offers. The system acted on these bids and executed a large volume of trades at errant prices that were out of touch with actual market prices.

Outline

What	Problem(s)	Company lost millions of dollars, errant automated trades
When	Date	08/20/13
	Differences	Software update occurring
Where	Physical Location	USA
Impact to the Goals		
Economic		Company lost millions of dollars
Personnel		4 employees put on administrative leave
Customer Service		Negative press for the company

High Level Cause Map



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