

The complaint

Mr R complains National Savings and Investments weren't helpful in assisting him locate his investment. As a result, he's lost out. To resolve matters, he'd like compensation for the distress and inconvenience caused and for this figure to reflect the loss of the opportunity to buy a property.

What happened

In summary, Mr R invested £10,000 with NS&I in December 2020 – he did so over the telephone. He didn't get any details about his investment but says he wasn't overly concerned as he was confident NS&I had got his money.

Later, Mr R decided to check how his investment was doing. But he couldn't find it. He tried NS&I's online platform and called its customer services department repeatedly but neither resulted in a trace. Mr R became increasingly concerned about the whereabouts of his money.

Mr R says that when he spoke with NS&I it could see something relating to him, but it wouldn't tell him what that was, and this made him feel very anxious. NS&I also told Mr R that he hadn't updated his address, but he says this wasn't correct.

Mr R raised a complaint about his missing investment and the customer service he received. Because every-time he called he says he had to repeat himself, which was not only frustrating but distressing.

NS&I issued its final response on 27 August 2021. It said, it hadn't been able to locate Mr R's investment with the information he'd provided. However, it would now need more information to do a detailed search so, asked him to complete some tracing forms, which it said it had enclosed. It also sent him a cheque for £30 to apologise for not doing more over the phone to find his investment.

Mr R says he got the cheque, but he had no idea what this related to as there was no cover letter and his name had been spelt incorrectly. And that when he got NS&I's response there weren't any tracing forms attached. He said the situation affected his blood pressure. He says he told NS&I that he wished to use the money towards a deposit for a property purchase. So, for him this matter was urgent, and he was growing concerned about a possible fraud.

Mr R referred his complaint to us and one of our investigators looked into it. He upheld it. He was satisfied NS&I hadn't provided a good level of service. He noted that NS&I had been in touch with us to say that it had failed to update Mr R's address and that it should have done more to help with the trace. He also noted that NS&I had now agreed to pay £200 (which was inclusive of the £30 it had sent) to cover what had gone wrong and send out another set of forms, which would help with tracing and getting Mr R access. The investigator felt this was reasonable in the circumstances, given that Mr R could have also contacted NS&I to tell it there weren't any forms and re-requested these. And the investigator didn't think he could fairly award anything for Mr R's losing out on buying a property because he said this hadn't

progressed as far as him making a mortgage application. So, this wasn't a persuasive loss.

Mr R didn't agree. He said, he was still no further forward in locating his money and this was extremely worrying. He needed this to be sorted out. He added £200 wasn't enough particularly as his health had been impacted and he couldn't sensibly make a mortgage application because a lender would need proof of a deposit. However, this was impossible while he couldn't find or access his investment. He added that the information NS&I had sought via the forms had also been provided previously over the phone etc. He asked the investigator to reconsider his complaint.

The investigator assessed things further and Mr R got the tracing forms in March 2022. He completed and returned these. Shortly afterwards he confirmed he'd acquired access to his investment and pointed out that he had been without this for 482 days (since December 2020, when he'd invested).

Our investigator reconsidered the case and recommended that NS&I increase its offer of compensation to £300, in view of the difficulties Mr R had had in being reunited with his investment, as he believed NS&I could have been more proactive here. But he maintained Mr R needed to have completed the forms and reiterated that he didn't think any compensation was warranted for Mr R being unable to buy a property as there was no evidence of a mortgage application. NS&I accepted that view. But Mr R did not. He stressed the impact this situation had had on him – he provided information about the state of his health which he considered was a direct consequence of what had happened. The investigator didn't change his mind. So, the matter has come to me to decide.

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'm aware that there were issues around NS&I updating Mr R's address (it's accepted that), including whether it had his active email address. NS&I said any account details would have been sent to the email address it held on its systems. But I think the real problems arose once Mr R tried to trace his investment and couldn't – this was around July 2021. This should have been a straightforward matter, in that NS&I needed previous address history and a change of address. It accepts it could have done more in some respects when it spoke to him over the phone and didn't.

That said, I can also understand why NS&I would in these circumstances physically want the tracing forms back to verify that information and other details too. It's disappointing that the forms weren't enclosed with the final response letter, and I have no reason to conclude that they were. As well as this, there was also a mistake with how Mr R's name was spelt on the cheque he'd been sent. So, faced with all of this, I can see why Mr R felt frustrated and distressed about the whereabouts of his investment.

But ultimately the key to unlocking this problem was the tracing forms. NS&I told Mr R what he needed to do in its letter of August 2021, and so he knew this information upon receipt of the letter. So while it failed to enclose the forms, there's no reason why Mr R or someone on his behalf couldn't have asked for the forms again and if necessary continued to follow up on this until he eventually got them, particularly given his concerns about needing to locate and access the investment.

Mr R has said he'd been without access to his funds for 482 days, but he didn't enquire about them until around July 2021. So up to this point he would have been unaware there would be a problem and so there would have been little or no impact on him during that time.

Once the situation came to light, I don't doubt this was distressing for Mr R and his stress levels would have been heightened at times, especially when he didn't feel he was getting anywhere with NS&I initially. But upon receipt of NS&I's letter he knew what it needed and why. It might have taken NS&I's tracing department some time to complete the trace but in getting the forms and sending them back it would have got the process started and reassured Mr R. So overall I think the actual impact is reflected in the figure of £300.

I've thought about what Mr R has said about not being able to buy a property. While I appreciate the reasons he's given for not applying for a mortgage, I would expect to see some tangible evidence that he was actively viewing properties and had gone as far as entering into discussions about buying something and/or started an application. Anything less than that isn't persuasive in my view. Even noting this the key to resolving this was getting and returning the forms, which he could have reasonably followed up (until he got them) given the urgency he's described. And of course, Mr R can still buy a property.

Taking all of these points together, I find NS&I should have made fewer mistakes and been more helpful, but Mr R could have also mitigated the situation. So, overall, I consider its offer of £300 is fair and reasonable. So, it follows that I am not going to ask it to pay any more than that.

NS&I should arrange to put a stop on the cheque for £30 (if it hasn't already done so).

My final decision

My final decision is that I uphold this complaint and direct National Savings and Investments to pay Mr R £300 to settle his complaint – this being reflective of the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 22 August 2022.

Sarita Taylor
Ombudsman