

The complaint

Mr C complains that National Savings and Investments (NS&I) delayed the release of funds from his account, causing him anxiety and financial loss.

What happened

In November 2020 Mr C instructed NS&I to transfer £66,00 from his Income Bonds to his nominated building society account. NS&I did not immediately act on that instruction, and Mr C complained about the delay. The money was not transferred until the middle of January 2021.

NS&I said that there had been two delays in making the transfer. The first was the result of human error. The second was caused by the need for additional security checks. They had taken longer than usual because of smaller teams than usual carrying out those checks. They would usually be completed within 48 hours.

NS&I said that, if the transfer had been processed at the earliest opportunity, the funds would have been in Mr C's building society account by about 24 November 2020. The delay was, therefore, nearly two months.

NS&I calculated the interest that Mr C had lost in that time (£88.56) and reimbursed that, as well as offering to pay him £75 in recognition of the distress caused and the inconvenience to which Mr C had been put – an increase on its original offer of £50.

Mr C did not think that was adequate compensation and referred the matter to this service. One of our investigators considered what had happened and recommended that NS&I increase its offer for non-financial loss by a further £175 to £250.

NS&I agreed to the investigator's recommendation, but Mr C said that he did not believe it properly reflected the concerns he had while the money was not in his control. And he thought that the random security check which NS&I had carried out was discriminatory. He asked that an ombudsman review the case.

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.

NS&I acknowledged almost immediately that it had been responsible for two delays and that Mr C had, as a result, been without his money for nearly two months. It agreed to pay any lost interest and to compensate Mr C for any distress and inconvenience caused.

There is therefore no dispute about the facts in this case. I must however consider whether NS&I has done enough to put things right. In my view, having accepted the investigator's recommendations and increased its offer to £250 (plus the lost interest), it has.

Mr C replied to the recommendation to say that the investigator's suggested figure of £250 was not the result of a rational, structured calculation. There is however no "tariff" for

compensation for non-financial loss – what is fair depends on the individual circumstances of the case. I am satisfied that the investigator's recommendation here is both fair and is in line with the guidance published on the Financial Ombudsman Service's website.

Mr C has also said that the security check was not to protect him but to protect NS&I from fraud. He says too that a random check is discriminatory. On the first point, I accept that most checks of that kind address the risk that transfer instructions have not been given by the genuine customer. In most cases, the financial business would bear the loss if that were to happen. So, he may well be right, but that does not mean that checks should not be made.

I do not accept however that NS&I's security check was, or could have been, both random *and* discriminatory. I do not believe that Mr C's transfer was checked because of any characteristic that he possesses. Rather, it was a random check. And I am satisfied that NS&I's offer adequately compensates Mr C for the delays caused by it and by the earlier error.

Putting things right

NS&I has made an offer in line with the investigator's recommendation. I will however make a formal award, so that Mr C can enforce it, should he need to do so.

My final decision

My final decision is that, to resolve Mr C's complaint, National Savings and Investments should pay Mr C a total of £250 (taking account of any payment already made) in recognition of the distress he has suffered and the inconvenience to which he has been put.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 August 2022.

Mike Ingram
Ombudsman