

The complaint

Mr R has complained that he has experienced ongoing issues logging in to his National Savings and Investments (NS&I) online account. He is unhappy with the documentation he was asked to provide before investing.

What happened

Mr R has held premium bonds with NS&I for some time. They say that he can manage his account online, over the phone or through the post.

In October 2020, Mr R attempted to access his account online. NS&I say that he failed security and so the password was suspended. Mr R says this caused him significant inconvenience as he was attempting to cash in some of his investment and he had to use an online form to do this.

He complained about this in January 2021 and was written to with a new password a month later. NS&I say that Mr R failed security again in July 2021 and the password was suspended until it was reset in September 2021. Access was suspended again in January 2022. Mr R says that he didn't have online access to his account between the months of November 2020 and February 2022.

During this time, Mr R had made another application to invest further in premium bonds in April 2021. NS&I requested identification documents from him including proof of identity and address. Mr R was unhappy as he was a long-standing customer. NS&I responded to say that an automatic electronic check hadn't verified him and that the further information was required under newer money laundering regulations.

Mr R remained unhappy and brought his complaint to our service for an independent review. Following this, NS&I made an offer of £50 for the inconvenience caused, in not being able to access the account online. Our investigator looked it and didn't think they had done enough to put things right. She said that whilst she understands the requirement to verify Mr R and this seems reasonable, she thinks that NS&I should have done more, sooner, to restore Mr R's online access. She felt a more appropriate level of compensation to be £150.

Mr R remained unhappy. He said that he'd been without access for a long time meaning he wasn't able to top-up his account. He also didn't feel that the true impact on him had been recognised, naming 19 people that he had spoken to and saying he had received many emails, letters and final responses without resolving the issue.

As no agreement was reached, the case has come to me for a final decision.

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.

Having done so, I have reached the same conclusion as the Investigator. I'll explain why.

Account access issues

Mr R says that he was without access to his online account between November 2020 and February 2022. NS&I dispute this and have provided evidence that he had access between February and July 2021 and September 2021 and January 2022.

Whilst I am satisfied he had access at times, it is clear that there were substantial periods where he didn't. It seems this includes four occasions where NS&I say that incorrect password information was entered and access was suspended. However, I believe that an error by NS&I in the way they recorded Mr R's contact phone number, meant that these suspensions could have been resolved shortly afterwards. I believe they are responsible for large periods where Mr R was without access.

Mr R has disputed the account suspensions and whether he was entering any information incorrectly. However, I haven't been provided with enough evidence to conclude that this was a system error.

I can see this has caused Mr R a considerable amount of distress and inconvenience. The investigator felt this warranted £150 compensation, and I agree. Whilst Mr R says he wasn't able to top-up his premium bonds to the maximum allowance, NS&I have shown that he was aware he could do this through a bank transfer from at least January 2021. However, as well as time without access he has also provided account of having to speak to 19 people, received almost 150 emails and 10 letters. I think this caused a lot of inconvenience and £150 is fair compensation for the impact this had.

Request for evidence of identity

Mr R is also unhappy with the evidential documentation he was asked to provide, so that NS&I could verify him before he invested further. I can understand why this might not feel necessary when he had been invested with them for some time.

However, NS&I have explained that it was a new regulatory requirement since Mr R's last investment and that it was necessary. I am satisfied with this explanation. They have also said they tried to do this electronically and automatically, initially without the need for Mr R to provide any documentation. I am also satisfied that they tried this, but it was unsuccessful.

I can't see that there was any error here. The verification was required. Whilst it wasn't initially successful, I can't see that this was any fault of NS&I and I am pleased to hear the verification is now completed.

In summary, I do think NS&I caused account access issues which inconvenienced Mr R more than the £50 offer recognised. I think £150 is a fair award of compensation for this. I say this also as I don't think NS&I did anything wrong regarding the requests for evidence of Mr R's identity.

My final decision

My final decision, for the reasons set out above, is that National Savings and Investments should pay Mr R £150 compensation for 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 6 July 2022.

Yoni Smith
Ombudsman