

The complaint

Mr H is unhappy with National Savings & Investments' response after it repeatedly requested he repay money it credited to his bank account in error, when he had already returned it.

What happened

NS&I mistakenly paid £1,265.62 into Mr H's current account in August 2020. He returned the money in September 2020, but NS&I wrote to him in November 2021 asking for the money to be repaid and placing a block on his account. Mr H therefore complained, NS&I sent £50 compensation. Through December 2021 Mr H worked with his bank to provide details of the transfer to NS&I. It awarded a further £25 to recognise his assistance. In January, February and March 2022 NS&I contacted Mr H again asking for the money as its recovery team had not been told the issue was resolved, nor had the block been removed.

In April 2022 Mr H discovered the block on his account hadn't been lifted as he hadn't been receiving his prize payments. He raised a further complaint with NS&I. They accepted the block was added in error, removed it and paid £75 compensation.

Mr H says this series of errors and incompetence has created significant stress and work for him. He wants an apology and for NS&I to confirm it has the money and will no longer contact him about it.

Our investigator upheld Mr H's complaint and said NS&I should pay an additional £100 compensation. She said NS&I had acknowledged it had made a number of errors, and apologised. She felt a total payment of £250 fairly recognised the impact of its different failings on Mr H.

NS&I agreed to pay the additional £100.

Mr H disagreed with this assessment and asked for an ombudsman's review. He says £250 does not fairly reflect the worry caused and the time he had to spend on this. He expects £500 for his time and an additional payment to acknowledge the distress he suffered. Also, he suggests that NS&I's original error may potentially be a data protection breach, or equally the bank account details were mistyped and his account wasn't accessed.

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 have considered all of Mr H's points and submissions carefully but in keeping with our role as an informal dispute resolution service, and as our rules allow, I will focus here on the issues material to his complaint.

I am upholding Mr H's complaint. I'll explain why.

It is not in dispute that NS&I made a number of errors (to summarise, the original incorrect

payment to Mr H's bank account; not recognising that he had repaid that money and repeatedly chasing repayment; and blocking his account) that detrimentally impacted Mr H. NS&I has accepted this, apologised and paid £150 in total. What remains in dispute is what more NS&I needs to do to put things right.

I find the investigator's recommendation to increase the award to £250 to be appropriate. To reach this decision I have considered the inconvenience Mr H experienced - he had to liaise with his bank to provide transfer reference details NS&I needed, he had to flag that the block hadn't been removed and even after being told the issue was resolved he received chasing letters which required his attention. Whilst we consider inconvenience we don't make direct awards for time on say a per hour basis.

I have also thought about the frustration and stress Mr H experienced, and over what period of time. I note the initial error happened in August 2020 and wasn't fully resolved until May/June 2022. However, for a large part of this elapsed time the issue lay dormant – until the letter in November 2021. And equally as Mr H had returned the money in September 2020 I think he would have had some confidence that he did not owe the money. I do not say this to make light of the business' errors or to underestimate the stress the repeated letters chasing payment would have caused. Mr H also said he has taken considerable time and effort to prepare this complaint, and whilst I don't doubt that, we cannot consider that in any award made.

To resolve his complaint Mr H also asked us to secure confirmation from NS&I that he has repaid the money and that it will no longer contact him about it. I understand he received a letter on 17 June 2022 that meets this requirement.

More recently Mr H said there was a possibility that NS&I's original error may potentially be a data protection breach. If Mr H wishes to report the issue as a data breach he should contact the Information Commissioner's Office (www.ico.org.uk).

Putting things right

NS&I must pay Mr H an additional £100 compensation.

My final decision

I am upholding Mr H's complaint. National Savings & Investments must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 October 2022.

Rebecca Connelley
Ombudsman