

The complaint

Mrs B complains that National Savings and Investments (NS&I) do not recognise her as the Premium Bond holder of a Premium Bond certificate she physically has a copy of.

What happened

Mrs B wrote to NS&I to confirm the Premium Bond numbers she held. NS&I responded to her and gave her a list of Premium Bonds which totalled £82. Mrs B cross referenced the list against her own records, and she said she had a total of £83 and one of the Premium Bonds were missing for the value of £1.

Mrs B wrote to NS&I to quote the missing Bond number and asked for this to be included with an up to date list for her, showing all of her Bonds. She also asked NS&I if the Bond had ever been a prize winner. NS&I replied with a letter stating the Bond number she quoted no longer exists. Mrs B wrote back to NS&I to let them know that this was not an acceptable or accepted response. NS&I treated this as a complaint.

NS&I did not uphold the complaint. They said the Bond was no longer valid and they do not hold any details of when it was cashed in. NS&I also said that while Mrs B held the physical Bond, this does not necessarily mean it was still valid. They said regarding any prizes won, there had been two winning £25 prizes, in December 2018 and November 2020, both of which had been cashed. Mrs B brought her complaint to our service.

NS&I told our investigator that they were willing to pay Mrs B £30 compensation to resolve her complaint as their complaint handler failed to notice that although the Bond number Mrs B queried no longer exists, it was never registered in her name. It was registered in the name of another NS&I customer and had previously been repaid. NS&I apologised for the inconsistent responses that they sent Mrs B.

Mrs B rejected the compensation and she asked a number of questions, such as how was her certificate issued to another person, when was the alleged occurrence and what prize money is, or has been associated with her Bond number. Mrs B also provided our investigator with a letter she sent NS&I in 1976, where she referenced all of her Bond's (including the Bond which NS&I say was not registered in her name).

Our investigator did not uphold Mrs B's complaint. He said that NS&I had provided evidence to back up their claim that the Bond in question was no longer valid. He said that the information showed the Bond was issued to someone other than Mrs B. He said the information showed that the Bond was issued in 1956 and has been since cashed in by the other person. He said he saw a copy of a Bond slip which was stamped in 1961, which showed it was in another person's name. Our investigator said he was unable to explain how the original Bond came into Mrs B's possession.

Mrs B asked for an Ombudsman to review her complaint. She made a number of points. In summary, she said that she was holding the original Bond certificate, the responses from NS&I about the Bond were different, she believed a Bond certificate had to be returned to NS&I if it was to be encashed, computer records are only as good as the humans who input

the records, the Bond was not issued in 1956 as it was date stamped in 1960 and that she wants the Bond she is holding to be included in her registered holdings and that if that Bond has won any prizes at any time, then she should be awarded those prizes.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"Mrs B has made a number of points to this service and I've considered and read everything she's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

Due to the original events happening over 60 years ago and due to the records which are held currently, it is impossible to say what definitely happened here. Mrs B believes that she is the rightful owner of the Bond in question – which I will refer to as the disputed Bond and NS&I are adamant that the disputed Bond was registered in the name of another customer. When it comes to complaints where it's one word against another, I have to consider the evidence available to me. I then have to weigh the evidence against the balance of probabilities, that is, what's more likely to have happened in the circumstances.

The first thing I want to clarify is that the Bond was bought on 12 November 1960, as Mrs B has pointed out the Bond certificate is date stamped with this date. While NS&I's system showed the date 1 November 1956, this appears on NS&I's system for all old Premium Bonds. When NS&I computerised their records, they decided to use one single date (which NS&I have told me this is when Premium Bonds first went on sale). NS&I have said that where this date shows on their system, the only way of checking the actual purchase date is by obtaining the copy of the application form in question.

I also wanted to clarify to Mrs B that the date of March 1961, which our investigator referenced, is in relation to when the disputed Bond was first eligible for a prize, and this was not when the Bond was bought.

So I've looked at the application form for the disputed Bond. This Bond is completed in the name of another person. It is signed by a different account holder to Mrs B and the form clearly states the Bond number of the disputed Bond. So I'm satisfied that Mrs B did not apply for the disputed Premium Bond.

But I am satisfied she applied for the Bond number after the disputed Bond number. Both Bonds were sold on 12 November 1960. I've also looked at the application form for this number. This shows Mrs B's maiden name and previous address. The value of this Bond was £1. I'm satisfied that this Bond was not bought on behalf of a child as the form has a space for a child's date of birth and this is left empty. If Mrs B wanted to buy £2 worth of Premium Bonds on 12 November 1960, she could have just bought a £2 bond (as NS&I have confirmed these were available at the time) as opposed to 2 x £1 Premium Bonds.

While Mrs B might have reasons to buy consecutive £1 Bonds, the fact that the application which displays the disputed Premium Bond number was signed for by another person, persuades me that on the balance of probabilities, that she was not the legitimate owner of the disputed Bond.

But this doesn't explain how Mrs B ended up with the certificate of the disputed Bond. This is where I'm persuaded that she has been given this certificate in error. While I'm persuaded that another Bond holder was entitled to the Bond certificate Mrs B was given and that is why the NS&I system records show in another person's name (which matches up with the application form), I'm persuaded that the clerk responsible for giving the customer's their Bond certificates made an error in giving the disputed Bond certificate to Mrs B.

It's likely the clerk gave Mrs B the correct Bond certificate and a Bond certificate which she didn't purchase. NS&I have told me that it's possible that when the Bonds were bought, as they are consecutive numbers, it is not uncommon for a clerk to have given Bond certificates to an incorrect person and they said they did not know if Mrs B held the original Bond certificate for the Bond which is not in dispute that she holds. But the evidence suggests that Mrs B did hold both original Bond certificates and I'll explain why.

The letter which Mrs B provided us from 1976, states that "the missing bonds have now appeared and as I requested I am returning the original bonds and keeping the replacements". On page two of her letter, she lists the Bond which is not in dispute, along with several other Bonds (18 in total) confirming she is returning those Bond certificates and retaining the replacement Bond certificates. So I'm satisfied that she was given the two Bond certificates for the consecutive numbered Bonds, one which NS&I agree is in her name and one which NS&I say was registered to another holder.

As I'm persuaded that NS&I gave her both certificates, then I would not expect Mrs B to vividly remember what Bond numbers she purchased when she wrote NS&I a letter 16 years later. So this is where I'm persuaded that Mrs B had kept a record of the Bond numbers on the certificates that NS&I had given her and this is why she believes she is the rightful holder of the Bond number which is disputed.

I've seen no evidence that NS&I responded to the letter in 1976 to inform Mrs B that one of the three Bonds she didn't send the original certificate to them was not in her name, but in fairness to NS&I this is over 45 years ago, so I would not expect them to keep records of this.

I've considered how this issue has not come to light earlier. But it appears that the disputed Bond had not won any prizes. I say this as I asked NS&I about this. I know Mrs B was keen to find out if the disputed Bond had won anything. Due to the Bond being sold over 60 years ago, there is not an in depth record kept. NS&I's system shows any prizes that Bonds have won since 1994. So while they can't categorically say if the disputed Bond ever won any prizes before 1994, their system does show if there are any unclaimed prizes. NS&I have confirmed to me that they can say with certainty that the disputed Bond had never won a prize which hadn't been cashed in, because details of any outstanding prizes were migrated onto the new system in 1994.

NS&I provided me a screenshot to show that no prizes had been won with the disputed Bond number from 1994, until the registered owner cashed in the disputed Bond on 2 June 1998. I asked NS&I would they be able to encash the disputed Bond if Mrs B was in possession of the original certificate, as she had highlighted that a Bond certificate had to be returned to NS&I if it was to be encashed. But NS&I confirmed that the certificate was not required in every encashment, for instance if a customer had mislaid their Bond certificate, NS&I would still repay them providing they were satisfied that the correct person was requesting payment. They said due to the time that had passed they were unable to confirm if the registered holder had provided a Bond certificate when encashing the disputed Bond.

I'm persuaded on the balance of probabilities, that the registered owner on NS&I's systems (not Mrs B) did not provide an original certificate when encashing the disputed bond, as this would indicate two certificates for the same Bond were issued (as Mrs B has proven she has the original disputed Bond certificate) – which NS&I have strongly denied it is possible for two original certificates to be given for the same Bond number, as at the time of the sale, a clerk was supposed to give the customer the same Bond certificate as the number on the application form. So it's probable that the registered owner told NS&I they mislaid their certificate and as the details matched to what NS&I had on their system, they allowed the

legitimate owner to encash the Bond. Alternatively, the registered owner may have previously requested a replacement certificate, which they then sent to NS&I when they encashed the Premium Bond.

I'm also persuaded that if the disputed Bond would have won a prize and Mrs B tried to claim the prize, then it would have come to light a lot earlier that Mrs B wasn't the legitimate owner of the disputed Bond. So I'm satisfied on the balance of probabilities that Mrs B was given an incorrect Bond certificate and that another person genuinely owned the disputed Bond and not Mrs B for the reasons I've previously given. So I can't ask NS&I to register the disputed Bond number to Mrs B's holdings for this reason, even though she holds the original Bond certificate, as this is not proof she bought this Bond. The proof lies in the application form for the disputed Bond number containing another person's details and signature, in the same way Mrs B's details and signature are on the following non-disputed Bond number's application.

I've considered what NS&I have told Mrs B since she first brought the missing/disputed Bond to their attention. Mrs B says they told her different things, such as the Bond number she quoted does not exist, the Bond number she quoted is not registered in her name and NS&I confirming that the Bond is no longer valid. While I'm not necessarily persuaded that the different wording here means she was told incorrect information – as the Bond technically didn't exist as it was encashed (at the least it would not be actively entered into prize draws), and the Bond wasn't registered in her name (as it was registered in another account holder's name) and the Bond number wasn't valid (as it had been encashed). But without any context provided, I can understand why Mrs B would say these were not credible answers.

I also clarified with NS&I what they said in their letter to Mrs B regarding any prizes won. NS&I said there had been two winning £25 prizes in December 2018 and November 2020. NS&I confirmed that these prizes did not relate to the disputed Bond, but they related to her entire Premium Bond holdings.

Mrs B originally was provided poor customer service in the sense that the clerk originally likely gave Mrs B two Bond certificates, based on the reasons I've already given. At the very least, they gave her an incorrect Bond certificate. So this set an expectation for Mrs B that she would be able to claim any winning prizes on a Bond which wasn't actually hers (and she would have no reason to believe otherwise several years later) - although it appears there were no winning prizes from this Bond (or at least no unclaimed prizes).

I've considered whether the £30 compensation that NS&I have offered Mrs B is fair. But I'm not persuaded it is. When Mrs B first communicated with NS&I in August 2021, she set out two clear questions for them to answer. But NS&I did not answer either of these questions. This would have been very frustrating for Mrs B after she had taken the time to write to them. By not answering these questions and just replying that the Bond number she quoted didn't exist, then Mrs B was inconvenienced by needing to contact NS&I again for answers.

But in the response NS&I gave Mrs B, they told her incorrect information and they were not clear on other points. It would have been prudent to explain to her why the Bond was no longer "valid". The letter incorrectly stated that NS&I didn't hold any details of when the disputed Bond was cashed in. But as I've previously mentioned, the disputed Bond was cashed in on 2 June 1998.

The letter says there was no further details NS&I could provide, but I'm not persuaded that this is accurate based on NS&I knowing that the disputed Bond number was registered under another person's name. Then they told Mrs B that there had been two prizes won. But Mrs B originally asked about prizes the specific singular Bond won. NS&I's letter did not clarify that this referred to the £82 worth of Premium Bonds that were registered to her as

opposed to the one which wasn't.

So I'm not persuaded that the impact that the customer service NS&I gave Mrs B is covered by £30 compensation. I'm satisfied that £100 would be reasonable. I say this as £100 would recognise the distress that NS&I's responses would have on Mrs B and the inconvenience that was caused to her by needing to seek clarity on simple answers that she asked NS&I. So it follows I intend to ask NS&I to put things right for Mrs B."

I invited both parties to let me have any further submissions before I reached a final decision. Mrs B rejected the provisional decision. She made a number of points. In summary, she said her request for the inclusion of the Bond which she holds, but is missing from her electronic list has been met with a false statement that the Bond doesn't exist, NS&I's latest attempt at an explanation that the Bond was part of a syndicate, and replies and explanations which include glaring inconsistencies. Mrs B gave three examples of these.

Example one was NS&I telling Mrs B in their final response letter that they did not hold any details of when the Bond was cashed in, but in my provisional decision I was able to ascertain that the registered owner cashed in the disputed Bond on 2 June 1998.

Example two was our investigator saying that he had saw a copy of a Bond slip which was stamped in 1961 which showed it was in another person's name, while NS&I's system showed the date was 1 November 1956, and I had said in my provisional decision that I was satisfied both Bonds were sold on 12 November 1960.

Example three was again the investigator saying that he saw the Bond slip stamped in 1961, my provisional decision stating that March 1961 was in relation to when the disputed Bond was first eligible for a prize and not when the Bond was bought and my provisional decision stating both Bonds were sold on 12 November 1960. Mrs B said that Premium Bonds are and were eligible for a prize one month after purchase.

NS&I said they thought the £100 compensation was too high and said Mrs B suffered no financial detriment. They had said they had proved the Bond in question was not in Mrs B's name and I had agreed which they said Mrs B was not actually eligible to complain. They also asked if Mrs B had bought the Bond as part of a syndicate as what happened could be part of a "switched Bond" scenario.

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've considered what Mrs B has said about the inconsistencies. And I'm persuaded that NS&I have at times gave her inconsistent information, or at the very least not provided additional context with some of the statements they have made. I addressed this in my provisional decision where I said *"Mrs B says they told her different things, such as the Bond number she quoted does not exist, the Bond number she quoted is not registered in her name and NS&I confirming that the Bond is no longer valid. While I'm not necessarily persuaded that the different wording here means she was told incorrect information – as the Bond technically didn't exist as it was encashed (at the least it would not be actively entered into prize draws), and the Bond wasn't registered in her name (as it was registered in another account holder's name) and the Bond number wasn't valid (as it had been encashed). But without any context provided, I can understand why Mrs B would say these were not credible answers."* The extra compensation I said I intended to award her in my provisional decision is reflective of the impact the inconsistencies and customer service would have on her.

I explained example two in my provisional decision. I explained that *“the Bond was bought on 12 November 1960, as Mrs B has pointed out the Bond certificate is date stamped with this date. While NS&I’s system showed the date 1 November 1956, this appears on NS&I’s system for all old Premium Bonds. When NS&I computerised their records, they decided to use one single date (which NS&I have told me this is when Premium Bonds first went on sale). NS&I have said that where this date shows on their system, the only way of checking the actual purchase date is by obtaining the copy of the application form in question.”*

Where I’ve mentioned in my provisional decision that the disputed Bond and the non-disputed Bond were both sold on 12 November 1960, they were both sold by NS&I on this date. Mrs B has pointed out it’s stamped with this date, so we agree here. I’ve considered what Mrs B has said about Premium Bonds are and were eligible for a prize one month after purchase. But NS&I have explained that at the time (1960), you had to wait three complete calendar months following the month of purchase, before the Bond was entered into the draws in March 1961.

This date was only mentioned in my provisional decision to provide context to the investigator’s comments that he had seen a copy of the Bond slip stamped 1961. Both the disputed Bond and the non-disputed Bond are stamped on 12 November 1960 when NS&I sold these and they are also stamped March 1961, when NS&I received the application forms post sale, to denote the first prize draw they were eligible to be part of based on what NS&I say were the rules at the time. I appreciate the criteria may be different now.

I’ve considered what NS&I have said about how Mrs B could have bought the Bond as part of a syndicate. From Mrs B’s response, it appears the Bond was not bought as part of a syndicate (although she does not specifically state this).

I’m not persuaded that Mrs B would fall into a *“switched Bond”* scenario as NS&I believe is the most likely thing to happen here. This is usually where Bonds are bought as part of a syndicate but are distributed wrongly between syndicate members. On a *“switched Bond”* case, two different parties hold a Bond which wasn’t their own, but they were missing a Bond which was theirs. But we know Mrs B holds the disputed Bond certificate. And based on her letter to NS&I in 1976, she informs NS&I that *“the missing bonds have now appeared and as requested I am returning the original bonds and keeping the replacements”*.

So I’m satisfied that Mrs B was provided both the original Bond certificates for the disputed Bond and the non-disputed Bond. But as I said in my provisional decision, *“the fact that the application which displays the disputed Premium Bond number was signed for by another person, persuades me that on the balance of probabilities, that (Mrs B) was not the legitimate owner of the disputed Bond.”* I then went on to say how Mrs B could have held both Bond certificates even though she was not the registered holder for the disputed Bond.

With regards to NS&I’s comments about Mrs B not being eligible to complain, I’m satisfied the complaint is in our jurisdiction and that Mrs B is an eligible complainant as the request regarding the disputed Bond originated from Mrs B’s earlier requests regarding her undisputed Bonds, which confirm she’s a customer and therefore an eligible complainant.

I’ve considered what NS&I have said about the compensation being too high. They feel the £30 they offered Mrs B was in line when considering such cases. But the extra £70 (to total £100) I said I intended to award is in line with our compensation awards for what happened here. While NS&I would say Mrs B suffered no financial detriment, this does not mean that as a result of the customer service she received from NS&I that she had no inconvenience or distress.

Mrs B was told on multiple occasions from the outset either incorrect/conflicting/unclear

information about the disputed Bond and was provided a response which appeared to be out of context. This would distress Mrs B who originally submitted a straightforward request to NS&I. She was inconvenienced by having to respond to NS&I's original response. So I'm not persuaded that £30 covers multiple examples of poor customer service. I'm satisfied that an extra £70 to total £100 is in line with our established and published compensation guidelines here.

In summary, NS&I and Mrs B's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. I know both parties will be disappointed, but I hope they understand my reasons.

Putting things right

In my provisional decision, I said I intend to uphold the complaint in part and I intend to ask National Savings and Investments to pay Mrs B a total of £100 for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. National Savings and Investments should pay Mrs B a total of £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 19 September 2022.

Gregory Sloanes
Ombudsman