

The complaint

Mr M is unhappy that National Savings and Investments ("NS&I") won't honour the balances showing in old passbooks that he found.

What happened

Mr M found two old NS&I passbooks that showed balances of £50 and £20 respectively. Mr M asked NS&I to pay him the balances in the passbooks, but NS&I informed him that the accounts had already been repaid in 1994. Mr M didn't feel that it would be possible for the accounts be repaid without this being recorded in the passbooks, so he raised a complaint.

NS&I looked at Mr M's complaint. They confirmed that the accounts had been cashed out in 1994, and so they didn't uphold that aspect of Mr M's complaint. However, NS&I acknowledged that the service Mr M had received when chasing this matter with them hadn't been to the standard that they aspire to, and NS&I apologised for this and offered to pay £50 compensation to Mr M for any inconvenience or upset incurred.

Mr M wasn't satisfied with NS&I's response, so he referred his complaint to this service. One of our investigators looked at this complaint. They accepted NS&I's position that the accounts had previously been repaid, but they felt NS&I should increase their compensation to Mr M for the standard of service he'd received from £50 to £100. Mr M continued to be dissatisfied, so the matter was escalated to an ombudsman 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.

It must be noted that considerable passing of time since 1994, when NS&I say the accounts were cashed out, means that full and detailed information about these account unfortunately hasn't survived – and neither would it be expected to have survived. NS&I have confirmed it appears some information relating to these accounts has been purged from their systems, which is inline with their data retention policy. This doesn't seem unreasonable to me, and it wouldn't be expected that NS&I would retain full records from such a long time ago.

Having considered the information that is available, I'm satisfied that it's more likely than not, on balance, that the two accounts were cashed out in 1994 as NS&I have explained. My reasons for saying this include that NS&I have been able to locate records for one of the accounts which confirm that it was repaid in 1994. And while NS&I haven't been able to locate a similar record for the other account, they also haven't been able to locate any records confirming a balance remaining in that other account, which I feel should have been the case had such a balance remained.

I'm aware that Mr M feels that the accounts couldn't be repaid without it being recorded in the passbooks. But there are several reasons why this may not have been the case, including that the passbooks may have been misplaced or not been available when the accounts were cashed out in 1994.

However, while I won't be upholding Mr M's complaint as it relates to the balances he believes are present in the accounts, I do feel that Mr M should be compensated for the standard of service he received from NS&I when enquiring about these balances.

Notably, when Mr M spoke with NS&I about the accounts, he was first sent a letter requesting further information, which Mr M duly provided. Following this, NS&I determined that there was no record of balances remaining in these accounts. But Mr M was then sent a 'residual payment form', which understandably gave Mr M the impression that there was a balance remaining in at least one of the accounts.

NS&I later confirmed to Mr M that there was no balance remaining in the accounts. But it's difficult not to conclude that this should have been explained definitively to Mr M in the first instance, which would potentially have resolved this matter sooner without giving Mr M a false expectation that he would receive some money from the accounts.

Matters of compensation can be subjective, with an offer considered reasonable by one person not being considered as being such by someone else. But in this instance, having considered the impact on Mr M of what happened here, as described above, I feel that compensation of £100 would provide a fair resolution to this aspect of Mr M's complaint.

My final decision will therefore be that I'll be upholding this complaint in Mr M's favour on the limited basis explained above and instructing NS&I to make a payment of £100 to Mr M as compensation for the trouble and upset he's incurred as a result of the service he's received from NS&I. I realise this might not be the full outcome that Mr M was wanting, but I trust he'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

NS&I must make a payment of £100 to Mr M.

My final decision

My final decision is that I uphold this complaint against National Savings and Investments on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 September 2022.

Paul Cooper
Ombudsman