

## **The complaint**

Mrs C complains that National Savings and Investments (NSI) made errors when she called them to make an investment in Premium Savings Bonds (PSB).

## **What happened**

On 24 February 2022, Mrs C called NSI. She wanted to make an investment into PSBs. As part of their security checks, NSI tried to call her on the number they had in their records but the call failed. Mrs C then failed the tests on security questions and her account was locked. NSI said to Mrs C that she needed to complete a 'forgotten security' form to verify her as the account holder - and a temporary password could then be issued to her.

Mrs C said that NSI had made errors and so NSI should set up the temporary password themselves and send it to her. NSI should also pay compensation for their errors.

NSI said the call to Mrs C failed because the international number had been input wrongly when her account was set up in November 2021. It had a missing digit. But they said that the temporary password had to be set up by Mrs C by completing the relevant form – this was part of their processes and they said their security processes were important. They said that the call handler had input the answers to the security questions wrongly and this had caused Mrs C's account to be locked. They paid compensation of £75.

Mrs C brought her complaint to us. Our investigator initially said that NSI should increase compensation paid to £200 (a further £125) as he believed that Mrs C answered the security questions correctly, and therefore NSI were at fault. He then reviewed further evidence from NSI and concluded that the error in answering the security questions lay with Mrs C – as she failed to answer two questions correctly. He issued a second view which said the compensation should remain at £75. During our investigation, NSI had also offered to backdate Mrs C's investment to February 2022. So overall, he thought that this was a fair way to resolve Mrs C's complaint.

Mrs C didn't agree and asked that an ombudsman look at her complaint.

## **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.

NSI have admitted that the number in their records was wrong – as it included an extra digit. So, the security call back failed when Mrs C called NSI on 24 February 2022. So – that error is clear and is accepted by NSI. So, I will set that aside but will return to it when considering what are the appropriate remedies here.

When Mrs C called NSI, she was required to answer two security questions correctly. NSI have shown us evidence that she failed to do that; and so, in line with their security procedures, her account was locked. I'm satisfied that she did fail to provide two consecutive correct answers, and so NSI were entitled to lock her account. The picture has become

confused by the fact that NSI said in their final response that an error was made by their call handler when inputting the answers. That wasn't the case. So, we have a situation here where Mrs C didn't give the correct answers – so she was at fault, but equally, NSI made an error in their final response.

So here I must decide what the reasonable steps are to settle Mrs C's complaint. Mrs C says that NSI must start the reset process by sending her a temporary password – which she can then change. NSI say that isn't possible as part of their processes – and Mrs C must complete a forgotten security form and send it to them. A temporary password will then be sent to her. Alternatively, they've said she could make a faster payment from her bank account to buy new PSBs; but online and phone access still won't be possible until the password reset procedure is completed.

We can't challenge NSI on their security processes – that's down to their commercial decision-making and risk appetite. So – I am not going to ask NSI to change that and therefore if Mrs C wishes to reset her password, she must follow what NSI say she must.

So, this now comes down to what I consider is the best way to settle Mrs C's complaint. I have no doubt that what happened was frustrating and time consuming. But equally, NSI have now offered to backdate Mrs C's investment in PSBs to August 2022 if Mrs C purchases PSBs before 31 January 2023. If Mrs C wishes to take advantage of that, she would get the benefit of any prizes won by her investment since that time. That seems to me to be a fair offer by NSI – as it puts Mrs C back in the position she would've been in had the investment gone ahead. And – that's one of the principles that this service follows. And therefore, I don't think any further compensation is warranted.

### **My final decision**

I uphold this complaint.

- National Savings and Investments have made an offer to backdate Mrs C's investment in PSBs to August 2022 if Mrs C purchases PSBs before 31 January 2023. I think this offer is fair in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 20 January 2023.

Martin Lord  
**Ombudsman**