

The complaint

Mr R complains that National Savings and Investments (NS&I) unreasonably delayed an ISA transfer. Mr R also complains about the service provided.

What happened

Mr R had an ISA with NS&I. In early December 2021 NS&I received a transfer request from another ISA provider I'll call S. NS&I says it processed the request and sent a cheque with Mr R's ISA funds to S. But when S received and deposited a cheque from NS&I it was returned unpaid.

Further cheques were sent to S but returned unpaid when deposited. A final cheque was issued and successfully deposited by S towards the end of January 2022.

Mr R complained about the delay and way NS&I had handled his transfer. NS&I sent Mr R a final response but didn't agree its actions had caused the cheques to go unpaid. NS&I offered Mr R £40 to resolve his complaint.

Mr R referred his complaint to this service and it was passed to an investigator. Within its case submission, NS&I made an offer to resolve Mr R's complaint. NS&I offered to increase the compensation offered to £100 for the inconvenience caused and a pay £192.08 in interest. Our investigator thought NS&I's offer was fair, but Mr R asked to appeal. Mr R said he didn't agree the level of compensation fairly reflected the level of distress and inconvenience caused.

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.

NS&I accepts it could've dealt with Mr R's ISA transfer request more efficiently from 11 January 2022. The previous day, NS&I had issued a new cheque and also spoken with Mr R about the delays. NS&I spoke with S but has told us it failed to mention a previously issued cheque. As a result, another cheque was issued causing further delays.

Mr R has asked for a more detailed explanation as to why cheques NS&I sent weren't paid. As our investigator has said, it's not entirely clear. I appreciate that's not a satisfactory answer. But it appears to me that cheques NS&I sent weren't received as quickly as expected by S. That led to replacement cheques being issued before the previously sent cheques were received. When S attempted to deposit cancelled cheques they were returned unpaid. From the information I've seen, there appears to have been some confusion between NS&I and S about active and cancelled cheques and that ultimately delayed the transfer process. I haven't seen anything that points to an individual mistake that caused the delays.

I agree with Mr R that NS&I could've handled his transfer more efficiently. And I can see he was very involved with the transfer process. Mr R has given us a detailed timeline of his

contact with NS&I. Mr R has told us about various occasions when he wasn't called back as promised and that he feels NS&I failed to get to grips with his concerns about his savings and complaint in general. I agree with Mr R that the service provided was poor at times and I don't doubt what he's told us. I can see how distressing Mr R found the transfer process and delays and have taken that into account when deciding how to fairly resolve his complaint.

We try to ensure there's no loss to a consumer due to a delay or mistake by a business. In this case, I'm aware S agreed to backdate the interest to cover the delay. So whilst the delay was clearly frustrating, Mr R received the correct level of interest from S meaning there's no clear loss. And NS&I offered to pay Mr R 8% interest between 11 January 2022 and 28 January 2022, totalling £192.08. I think it's fair to say that rate of interest used is significantly higher than the original NS&I interest rate Mr R received. And it goes beyond what I could've awarded, having looked at the details of Mr R's complaint.

NS&I also offered Mr R £100 to reflect the level of distress and inconvenience caused. Taking the total compensation offered into account, I'm satisfied NS&I's offer to pay Mr R £100 plus £192.08 in interest is a fair and reasonable way to resolve his complaint. I'm sorry to disappoint Mr R but I haven't found grounds to increase the compensation or tell NS&I to do anything else.

My final decision

My decision is that National Savings and Investments has already made an offer to resolve Mr R's complaint that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 December 2022.

Marco Manente
Ombudsman