

The complaint

Ms C complains that National Savings and Investments (NS&I) provided her with poor customer service when she tried to reset a forgotten password.

What happened

Ms C says she forgot her password which resulted in her being unable to access her NS&I account for almost two months. She says that during this time she phoned NS&I six times, wrote four times to their offices, completed two online forms and four paper forms. She says that some of the forms she was sent by NS&I were identical in nature, asking for the same information. In addition to this she was told on the phone on more than one occasion that she couldn't be verified, which gave her concern that she would be unable to access her savings. Ms C made a complaint to NS&I.

NS&I upheld Ms C's complaint. They said they were disappointed to learn about her experience when trying to reset her password and the lack of clarity given when she called their helpline. They said in recognition of the stress and inconvenience they would send a payment of £100 to her current account. Ms C brought her complaint to our service.

Our investigator did not uphold Ms C's complaint. He said that NS&I were in the middle of the process of resetting her password, but during the call on 14 September 2022, the agent restarted the whole password reset process again causing a delay in Ms C being able to access her account online and this resulted in her having to repeat the process. But he said NS&I were correct in following their security process, when the address on file differed from the one provided over the phone from Ms C. But he thought the £100 compensation was fair for what happened.

Ms C asked for an Ombudsman to review her complaint. During my investigations into Ms C's complaint, NS&I offered Ms C an extra £30 compensation to resolve her complaint due to them not having an incorrect date of birth for Ms C, which they previously said they had. Ms C rejected the compensation. She said she wanted me to complete my investigations as the incorrect date of birth was an additional error, which she wasn't informed of, and this could be the root of the initial problem. She said that NS&I had lost her documents and they were not processed in accordance with the General Data Protection Regulation (GDPR). She doesn't believe that £30 covers the time she spent in communication with NS&I over the two month period, the mishandling of her personal data and the anxiety involved in losing her savings. She also complained about missing and new Premium Bond numbers.

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:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'd like to explain to Ms C that it is not within this service's remit to tell a business how to run their security processes or procedures such as when they should ask for a witness signature, or what forms they require to be completed to satisfy themselves that they are

communicating with their genuine customer. It would be the role of the regulator – the Financial Conduct Authority (FCA), who have the power to instruct NS&I to make changes to their policies and procedures, if necessary.

Ms C has mentioned that NS&I lost her documents and therefore they were not processed in accordance with GDPR. She has also mentioned missing and new Premium Bond numbers. But as these issues were not complained about originally with NS&I, then I'm unable to consider these new points. Ms C would need to make a separate complaint to NS&I directly about these issues if she wishes to do so.

I've considered the timeline of what happened here. But in doing so I need to be fair to both sides. There are occasions which I'll set out below where either Ms C or NS&I were responsible for delays. And there was also a crossover of post leading to confusion.

The Key features and customer agreement of the Premium Bonds, which both NS&I and Ms C would be bound by states "You must tell us whenever you change your name, address, phone number, email address, or nominated account. You can update most of these details online or by contacting us using the details at the end of this agreement." But it does not appear that Ms C notified NS&I of her current address since they had a different address on their system. NS&I have confirmed to our service that had Ms C notified them of her change of address prior to 11 August 2022, then they would have been able to complete the process of resetting her password over the phone on this call. But they were unable to do this on this call (despite what Ms C says about what the complaint handler told her) as before starting this process they would complete basic user checks with the Ms C (including matching the address on file). So that is why they were unable to do so here.

I've listened to the call which Ms C had with NS&I on 11 August 2022 when Ms C first makes NS&I aware that she forgot her password. She tells the call handler that she may have a different address before basic security details have been completed. And she can't provide the address that they have on file for her. So she was unable to complete the basic security here. Ms C tells NS&I that she will be going on holiday the following week, so if they send her anything she wouldn't be able to send it back for two weeks. It's possible the call handler could have done more to assist Ms C on this call. She could have explained that in certain circumstances they may need a witness signature form. NS&I say this doesn't need to be advised on a phone call as they would send a follow up to a form once they had made checks. But I do think explaining this process to Ms C could have managed her expectations better here.

Ms C rang NS&I on 12 August 2022, but they were unable to verify her. As NS&I had mentioned on the call the day before, their back office staff would need to update the details, and it appears that this hadn't happened by the time Ms C rang them. But I'm not persuaded that Ms C needed to call them here, when the call handler on 11 August had set out their process and informed her that they may be sending post out to her which she would need to complete and send back.

There were also times where there was a crossover with the post. An example of this is when NS&I asked Ms C for a witness signature in a letter dated 12 August 2022. But NS&I say they received post from Ms C dated the day before this (11 August) which included a copy of her passport and her new and old address. NS&I say they didn't receive this until 16 August 2022. So this is why they sent out another letter to her dated 17 August 2022, to request the witness signature again. So this explains why she was sent two letters about the witness signature. But I can understand Ms C's point of view that it could appear NS&I had ignored post she sent them, even though I'm not persuaded this was what happened here.

NS&I received the witness signature on 7 September 2022, updated Ms C's address and

they sent the temporary password on 9 September 2022. I've listened to a call Ms C had with NS&I on 14 September 2022. Listening to the call, it does not appear that Ms C had received the first temporary password yet. She tells the call handler she needs a temporary password (but not because she had received one which didn't work). And the call handler says she needs a password reset. He was unable to generate security questions for Ms C and he said he would send a form to her. But the call handler did not check the notes on her account, and he didn't realise that there was a temporary password on the way to Ms C already. So the actions that the call handler took on this call suspended the temporary password. And this is why the temporary password didn't work when she next received one.

NS&I were at fault for delaying matters on 15 September 2022. When they processed an online form that Ms C submitted online, they told her that they needed her date of birth and she needed to fill in a form. NS&I told our service this was because Ms C entered an incorrect date of birth on the form. So I asked NS&I to provide the evidence of the wrong date of birth being submitted. This is when NS&I realised they had made a mistake as they had her correct date of birth on the online form Ms C submitted. But because of this error, this delayed a new temporary password being sent out for Ms C and she was inconvenienced by having to fill in a form which was not required. This added a week onto the delays which was avoidable here. NS&I sent Ms C a temporary password on 22 September 2022, and she received it on 25 September. Due to the previous problems Ms C had, she didn't try and use it until 3 October when she spoke to the complaint handler.

So although the issues lasted from 11 August-3 October 2022, I can't fairly say NS&I were solely responsible for this process lasting two months. The initial root of the problem was not because of an incorrect date of birth. It was because Ms C had not previously changed her address as she was required to do so, therefore this would always have taken time to resolve this issue first before the temporary password could be sent out. There would be other delays which were also outside of NS&I's control, such as if Ms C went on holiday during this timeframe which she told the first call handler she was going to. And Ms C didn't try the temporary password which she received on 25 September 2022, until 3 October 2022. There would also be slight delays in the time it would take post to be sent out, received, sent back, and actioned.

Ms C has commented on the time which she spent communicating with NS&I. Although I appreciate that Ms C was being very proactive in order to rectify the issue, unfortunately this unintentionally went against her on occasion. There were times where she did not need to take some of the actions that she did, for example ringing NS&I on 12 August when she had only just sent the forms the day before and had been told they would be sending post to her. Or if she had not received her temporary password by 14 September 2022, there was no need to make the calls she made on this date, which appears to have contributed to the temporary password which was in the post being suspended.

But there's no doubt that NS&I have contributed to the delays also. In what should've been a smooth process - even if information including different forms are to be required by post, I'm persuaded that they didn't manage Ms C's expectations as well as they could have done from the first call. Their call handler did not check to see if there was a temporary password that had recently been sent to Ms C which meant his actions on the call suspended the temporary password on the way out to Ms C. And they also told her incorrect information about the date of birth which delayed the process by an extra week and inconvenienced Ms C by having to fill in a form which she didn't need to complete.

I've considered what Ms C has said about the anxiety involved in losing her savings. But while Ms C feared she would lose her savings, I'm not persuaded that she was in any danger at any point in time of this happening. On the call on 11 August, she was reassured by the call handler she was on their system and the call handler told her not to worry. On the

call on 14 September, the call handler confirmed to her that her details were correct and up to date. So just because she was unable to see her savings online, this does not mean she would lose them.

So I've considered what would be a fair outcome for this complaint. NS&I have offered a total of £130 compensation for their part in what happened. Ms C feels this isn't enough based on the time she spent communicating with NS&I. But compensation is a discretionary remedy that we sometimes award if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event. When we recommend compensation, it is often modest and within our established guidelines. The total compensation of £130 is in line with what I would have awarded Ms C if NS&I did not uphold her complaint. So I intend to ask NS&I to pay Ms C £130 for distress and inconvenience, minus anything they have already paid her.

I invited both parties to let me have any further submissions before I reached a final decision. NS&I accepted the provisional decision. Ms C did not accept the provisional decision. She made a number of points. In summary she said she was concerned that there was no honest admission in her call with the complaint handler regarding an error of her incorrect date of birth on her NS&I record as this was undoubtedly the root cause of their customer service being unable to identify her identity. She said this error was omitted by NS&I in their investigations as they insinuated the cause of the problem was through a change of address and resetting her password. She said NS&I had a legal duty to ensure her data is safe, accurate and handled in a way that ensures appropriate security. Ms C said she wants the focus to be on the improvement of NS&I customer services and in preference to financial compensation, she would like genuine evidence and assurance that regulatory measures are put in place, so this experience does not reoccur with other NS&I customers.

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 must be clear to Ms C about the scope of this service. Our service acts as an informal dispute resolution service for complaints about financial businesses. We look at the circumstances of individual complaints and, on a case by case basis, taking into account relevant industry guidance for example, make findings about whether a financial business has failed their customer. Where we find it has, we make awards designed to make the business put things right with the complainant customer. Our awards are not designed to punish a business or to make it change the way it acts in order to protect other customers in the future. That is the role of the regulator. So because of this, I won't be asking NS&I to undertake customer services training and to provide evidence of this to Ms C.

I've considered what Ms C has said about the root cause being an incorrect date of birth held on NS&I's records for her. But I explained the root cause in my provisional decision: *"The initial root of the problem was not because of an incorrect date of birth. It was because Ms C had not previously changed her address as she was required to do so, therefore this would always have taken time to resolve this issue first before the temporary password could be sent out."*

There is no evidence that NS&I held an incorrect date of birth for Ms C. NS&I provided me the forms Ms C completed and the passport and birth certificate she sent in. They also sent the online form that Ms C completed, and these all showed the same date of birth – her correct date of birth. They had previously told us there was an incorrect date of birth on an online form Ms C had submitted to them – not a incorrect date of birth on their system. So I'm not persuaded that her date of birth was incorrect at any time or that they didn't follow the

relevant rules for data protection regarding her date of birth. Instead there was a human error made by the NS&I employee who checked the details of the online form Ms C submitted to them. The form was processed on 15 September 2022 – long after the call on 11 August 2022.

I explained in my provisional decision that “NS&I told our service this was because Ms C entered an incorrect date of birth on the form. So I asked NS&I to provide the evidence of the wrong date of birth being submitted. This is when NS&I realised they had made a mistake as they had her correct date of birth on the online form Ms C submitted. But because of this error, this delayed a new temporary password being sent out for Ms C and she was inconvenienced by having to fill in a form which was not required. This added a week onto the delays which was avoidable here.”

NS&I hadn't realised they made a human error. That is why this wasn't discussed as part of their investigations or on the call Ms C had with the complaint handler on 3 October 2022. The error only came to light when I asked them for evidence that Ms C had submitted an incorrect date of birth on the online form. This is when they realised she hadn't provided them with an incorrect date of birth on the online form, and this is when they admitted to the error and offered her extra compensation.

So I'm satisfied she was unable to be verified by the call handlers because of the issue with the incorrect address as demonstrated on the 11 August 2022 call as opposed to her date of birth being an issue. Ms C tells the call handler her date of birth of this call and the call handler says “brilliant, thank you”, she then goes on to say “with us not having your current address on file, erm, you know, I wouldn't (inaudible) out by post”. She then explains how Ms C can fill in the relevant forms online. So I'm satisfied the initial issue was not to do with her date of birth and it was because of the incorrect address.

In summary, Ms C's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. I know Ms C will be disappointed, but I hope she understands my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask National Savings and Investments to pay Ms C a total of £130 compensation (minus anything they have already paid her) 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 Ms C a total of £130 compensation (minus anything they have already paid her) for distress and inconvenience.

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

Gregory Sloanes
Ombudsman