

The complaint

Mr B is unhappy that National Savings and Investments (“NS&I”) offered a new product on an ‘online only’ basis, which he feels made it difficult for him to apply for and is discriminatory against people who don’t have online access or aren’t comfortable operating online.

What happened

In February 2023, Mr B called NS&I to ask about a Guaranteed Income Bond (“GIB”) being offered by NS&I but was told that the GIB could only be opened online. Several days later, Mr B called NS&I again to complain that he’d learned that the GIB could be opened over the phone as he’d wanted. NS&I opened a GIB for him while he was on the phone and told him how he could deposit money into the GIB via either a mail or telephone process. Mr B wasn’t happy with the service he was receiving from NS&I and felt that the GIB opening process was unnecessarily complicated for non-online consumers. So, he raised a complaint.

NS&I responded to Mr B and explained that the agent he’d spoken with on his initial call had incorrectly told him that the GIB could only be opened online because they were acting on incorrect information given by NS&I to their agents. NS&I apologised to Mr B for this and made a payment of £25 to him as compensation for the upset and trouble he’d incurred.

NS&I also confirmed that the information given to Mr B on the later call, where the options for Mr B to deposit money into his GIB by a postal or telephone method, had been correct. And NS&I confirmed that they were offering the GIB on an online-only because the majority of their customers accessed their products online and said that they didn’t feel that they’d acted in a discriminatory way by doing so. Mr B 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 felt that NS&I had offered a reasonable alternative to Mr B by opening a GIB for him on the telephone and by explaining how he could deposit money into his GIB via post or telephone. But they did feel that the provision of incorrect information to Mr B on the initial call, as well as the general standard of service provided to him by NS&I’s agents, had caused Mr B to incur a degree of upset and inconvenience that he reasonably shouldn’t have. So, our investigator recommended that NS&I should pay a further £100 compensation to Mr B for this.

NS&I didn’t agree with the view of this complaint put forward by our investigator, 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.

I’ve listened to the recordings of the calls between Mr B and NS&I’s agents. These include the initial call on 2 February 2023, when Mr B called NS&I and was told that the GIB could only be opened online, and the calls when Mr B called NS&I back on 8 February 2023 to complain, after learning that it was in fact possible to open a GIB over the phone.

It's for a business to decide how it will market and offer its products. And given that the majority of NS&I's account holders access their accounts online, I don't feel that it's unreasonable or unfair for NS&I to offer products on an online only basis, with the caveat being that it would be fairly expected that NS&I would offer reasonable adjustments for customers who aren't able to access that product online.

NS&I have explained that the reason Mr B received the wrong information about not being able to open a GIB over the phone on 2 February was because, while the GIB product was released for sale on 1 February 2023, the correct guidance about the GIB wasn't distributed to their advisors until 3 February 2023. And NS&I explain that this means that when Mr B spoke with NS&I's agent on 2 February, that person provided Mr B with the correct advice as per that agent's understanding of the GIB product at that time.

But if NS&I release a product to market before they educate their telephony agents about the features of that product, then any incorrect advice that their agents provide to NS&I's customers, including Mr B, is clearly the result of NS&I's own failure to educate their staff about that product before the product's release.

Accordingly, it's clear to me that Mr B did incur a degree of trouble and inconvenience that he reasonably shouldn't have had to incur here. And this is because NS&I didn't ensure that their agents understood the features of the GIB at the point of the GIB's release – including that it could be opened over the phone if a customer couldn't open it online, as Mr B couldn't.

Given the incorrect information that Mr B received from NS&I that the GIB could only be opened online, I can understand why he might have felt that NS&I were discriminating against non-online customers. But given that it's since been confirmed that the option is available to non-online customers to open the GIB via an alternative channel, I hope that he'll understand why I don't feel that that NS&I are acting unfairly in this regard.

Unfortunately, the adverse impact of NS&I's misinformation error on Mr B was compounded by the rude conduct of their agent who Mr B spoke with first upon calling NS&I back on 8 February. NS&I feel that the agent in question handled Mr B's call in a polite and friendly manner. However, having listened to the call in question I strongly disagree, and I feel that NS&I's agent was rude and combative towards Mr B from the outset. And I feel that NS&I's agent's unprofessionalism in this regard sadly set the tone for the rest of the conversation.

Accordingly, for the trouble, frustration, and upset that I'm satisfied Mr B unreasonably and unfairly experienced here because of NS&I's errors and the poor conduct of one of their staff, I'll be upholding this complaint in Mr B's favour and instructing NS&I to make a payment of £100 compensation to him. This £100 compensation is payable in addition to the £25 compensation that NS&I had previously offered Mr B, so that a total of £125 compensation is payable to him.

Putting things right

NS&I must make pay a further £100 to Mr B, so that a total of £125 compensation is payable to him.

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 B to accept or reject my decision before 16 November 2023.

Paul Cooper
Ombudsman