

The complaint

Mrs A complains that she was unable to make a withdrawal from her National Savings and investments (NS&I) account over the phone and that she was dissatisfied with its subsequent verification processes.

What happened

In September 2023 Mrs A attempted to make a withdrawal over the phone from her NS&I account. However, when she tried to verify the withdrawal during an automated phone call, the system failed to recognise her use of the hash (#) key. This meant that her account was blocked and she had to call NS&I to go through an online verification process. However unfortunately the additional security KBA (knowledge based authentication) failed and Mrs A was advised to complete an online form to request the funds. She also completed a forgotten security details/ password form. I understand that she was able to make the withdrawal within two days.

NS&I explained that several of their customers had this problem which relates to the particular phone or network they were using. It noted that the problem was intermittent and Mrs A had been able to make withdrawals on other occasions. It also said that if the customer holds down the # key this usually resolves the problem. It paid Mrs A £50 for the inconvenience.

Mrs A referred her complaint to the Financial Ombudsman Service. She said she wasn't interested in compensation but wanted a safe reliable means of accessing her money she didn't believe NS&I had provided. She further said that the form she completed was processed by a member of NS&I staff which she felt was a breach of her security as she had to fill in the full details of the bank account she wanted the money transferred to.

Our Investigator said he couldn't reasonably find that NS&I was responsible for the technical difficulties and thought Mrs A was able to withdraw her money within a reasonable time. He didn't think that the completion of the online form was a breach of security.

The matter has been referred to me for an Ombudsman's consideration.

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 should make it clear that this service acts as an alternative dispute resolution service. Our role is to resolve complaints informally. We look at the circumstances of each individual complaint and will make awards where we think the business has failed the customer. Those awards would be intended to put things right with the particular customer. I can't make an award requiring NS&I to change its IT systems or to resolve problems with the phone companies. That would be the role of the regulator. So even if I were to find NS&I was at fault I could not take the action that Mrs A feels is necessary to resolve any problems with withdrawing monies in the future.

In respect of Mrs A's particular problem, I note that this problem has been raised with other customers and it concerns difficulties with the system recognising the use of the #key. I don't profess to be an expert in the design of IT systems and while I appreciate that Mrs A has a different opinion, it does appear reasonable to me to accept that the problem lies with her phone provider. I have noted that Mrs A has been able to use the system on other occasions and that NS&I has supplied a work around which requires holding down the #key.

Given that Mrs A was unable to make the transfer of money over the phone, I would expect NS&I to have adequate systems in place where that transaction doesn't work. And it appears that it does, as although Mrs A couldn't use the KBA process because of forgotten information, she was able to use the online form and her transfer was processed within two days of her submitting the form.

As regards Mrs A's concern that this form was a breach of her security, I understand that the form had to be manually reviewed because she had used an abbreviated form of her first name rather than her full registered name. There's no evidence that this information was made available outside of NS&I and I think it has to be accepted that its employees would keep her information confidential. This would apply to any bank, financial institution or large company, including this service.

NS&I has paid Mrs A £50 compensation and whilst I appreciate that she was not looking for compensation, this does appear to me to be a reasonable payment to reflect the inconvenience caused to her.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 4 March 2024.

Ray Lawley
Ombudsman