

## The complaint

Mr H complains that National Savings and Investments (NS&I) did not process his withdrawal instructions in a timely manner, and they provided poor customer service.

## What happened

Mr H needed to access his funds with NS&I to finance renovations to properties overseas, but when he attempted to withdraw £5,000 to his third party account, the withdrawal was unsuccessful. Mr H says that he rang NS&I and he was told this was because two external bank accounts he had weren't verified in their system, and the issue stemmed from his address not being up to date. He says NS&I suggested sending a bank warrant to his overseas address, but he declined this.

Mr H says he updated his address with the third party bank and NS&I, but they encountered difficulties in verifying his external bank account, as this did not display his updated address, so he forwarded paper copies of the bank statement to two of their staff, but he received no response. Mr H says that he rang NS&I and he was told that it would be the beginning of the following month to process the statements, but when Mr H followed up this call the following month they told him no documents were received, and he was instructed to resend them, which he did.

Mr H says he got a call from NS&I informing him that he had not sent them bank statements, which Mr H disputed. He says NS&I then told him these were rejected as they didn't display his overseas address. While waiting for a new statement Mr H received correspondence from NS&I indicating their intention to provide a warrant, which was against his wishes. Mr H made a complaint to NS&I.

NS&I did not uphold Mr H's complaint. They said they were unable to arrange the payment to the accounts requested for security reasons. NS&I said they did not hold the up to date address for Mr H and there were discrepancies with addresses held on his bank accounts. They said they were also unable to verify his UK bank account as he couldn't provide a valid statement for this. They said his address has now been updated and they would remove the block on his account and issue a warrant to him. Mr H brought his complaint to our service.

Our investigator did not uphold Mr H's complaint. He said NS&I have certain policies and procedures in place to protect their customer's accounts. This includes procedures relating to money transfers, making sure they have the right documentation to satisfy themselves everything is as it should be and to make sure they've complied with any rules and regulations they must follow. Mr H asked for an ombudsman to review his complaint.

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."*

*Firstly, I'm aware that I've only summarised Mr H's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.*

*I'd like to explain to Mr H that it is not within this service's remit to tell a business how they should run their procedures, such as what documents they should accept from customers in order to meet their security procedures. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct NS&I to make changes to their policies and procedures, if necessary.*

*I've considered what happened when Mr H was unable to successfully process the withdrawal, and what he's said about the poor customer service. I've listened to a number of calls he's had with NS&I from 4 May-22 June 2023. On the first call Mr H is told the reason for the block, and he is given the option to make a transfer to an external bank account they have on file for him, but Mr H declines this and the call is ended amicably. Mr H then tries to make a transfer to a different external account he has, but this was unsuccessful, therefore Mr H rang back NS&I about this. Mr H confirms on this call he has moved address. The call handler tells Mr H the address needs to match his external bank account's address. Mr H tells her that the address does match, and the call handler transfers Mr H to their security team.*

*The security team explains another bank account Mr H wants to transfer the money into is an unverified bank account and they won't be able to transfer the money into that account either. Mr H is placed on several periods of hold, without the call handler explaining why he is doing this or how long he would be on hold for, including one time for over eight minutes without the call handler checking back in to see if Mr H is still ok to hold.*

*The call handler says he spoke to his manager, and they would need to see a bank statement to see if they could verify his bank account. He explains the external banks hadn't gotten back in touch with them, and he explains the name or address might not match. Mr H asks to speak to a manager, and he is told one will call him back. The manager rings Mr H back on the same day. She explains the addresses need to match on the address he is currently living in, but they could send him a warrant if he wanted them to. Mr H says the overseas bank would charge a lot of commission for converting the cheque from pounds.*

*Mr H raises the point about the external bank not getting back to them and the manager confirms they run a check and it comes back as a pass or a fail, and if it doesn't come back as a pass then they'll not pay back to that account, and that has happened on this occasion. She tells Mr H that he'd have to update his address, and when he's done that could he give them a call back so they can send the cheque (warrant) out to him. Mr H agrees.*

*I am persuaded that the security team explanation of what happened with the bank checks caused unnecessary confusion. As it appeared from the explanation that the external bank hadn't gotten in touch with NS&I. It would have been prudent for the call handler to explain accurately and clearly to Mr H this process, just like the manager did, which could have reassured Mr H that their process was being followed and what the next steps were.*

*Mr H updates his address and rings NS&I. The call handler attempts to put him through to the security team, but the security team said they would call Mr H back in 20 minutes. When the call handler rings Mr H back, Mr H tells him he doesn't want a warrant to be sent to him. Mr H asks what he can do apart from getting a warrant, and the call handler says they wouldn't be able to do anything. He then tells Mr H they have contacted his bank and his account is not verified. Mr H asks about this being paid to his external account – which he*

previously told NS&I he didn't have access to - as that had been verified and he would claim the flight cost to the UK through NS&I and the call handler told Mr H he would just put him on hold. Mr H was on hold for five minutes.

The call handler does not give Mr H clear instructions what he needs to do to move forward. He often interrupts Mr H when Mr H is trying to clarify the situation, he gives short answers instead of explaining what Mr H needed to do exactly. This further distresses Mr H and prolongs the call time. This also comes across as the call handler being obstructive and not being helpful. It is only at the end of the call that Mr H gets a clear answer when he recounts his options, which leads Mr H to say "finally we are getting somewhere".

Mr H rings NS&I back when he updates his address at his external bank. Mr H explains to the security team the external bank wouldn't show the correct address yet, since it has just been updated, and he asks if they could run the verification process again. The call handler says they need a bank statement and says that he thought they went through this before with him, which came across as condescending, especially since the call handlers explanation wasn't clear on the previous call. Mr H is placed on hold again, and he's asked if the statements will be sent electronically. Mr H confirms it will be sent to his overseas address by post.

The call handler says that should be fine, but it is not clear why the call handler wouldn't confirm to Mr H he needed to wait for the statement to show the correct address when Mr H has already told him the address wouldn't be the same address as his current address as this had just been updated. Mr H asks if the verification process can be tried again, but the call handler says this would fail as it isn't a UK bank account with a UK address. Mr H tells the call handler it is a UK bank account. It appears Mr H is then placed on hold without warning for a minute. When the call handler returns he says you need to send us a bank statement. Mr H asks him to run the verification check and the call handler says "I just done it there".

Mr H tries to update his complaint, but the call handler interrupts in most of Mr H's sentences. He disagrees with Mr H on most points and Mr H remained calm despite the call handler not allowing him to speak. The call handler ends the call without letting Mr H finish the update to his complaint.

Mr H rings NS&I two weeks later and he gets a call back from NS&I. There is confusion at the beginning of the call over whether an email address was given on their last call two weeks ago where to send the bank statement (I did not hear an email address being given on the last recorded call on 4 May 2023). The call handler gives Mr H two managers email addresses so Mr H can email with the statement.

Mr H calls NS&I back four days later (22 May 2023) as he hadn't received a response. The call handler says that they are working on items from 15 May 2023 at the moment, but he would double check. He confirmed they received his email, but it would take seven working days to process it.

Mr H rings NS&I on 30 May 2023. The call handler tells Mr H that they haven't received anything yet and she's checked with both managers. There was a spelling issue on one of the managers names. The call handler apologised for Mr H being told from a previous call it would take seven working days as it wouldn't. Mr H sent the email again and rang NS&I back the following day. The call handler confirms they have definitely received it and she will be able to call him back today (31 May 2023).

Mr H gets a call back later that day from a call handler on the security team who told Mr H he just sent a letter from the bank. Mr H tells the call handler he sent six separate emails. The

call handler said the manager hadn't received a bank statement on any of the emails. He put Mr H on hold and went to check with his manager. When he returned he told Mr H he needs to send a bank statement with his name, address and details. Mr H told the call handler he would give him a call back.

Mr H spoke to NS&I the following day. The call handler tells Mr H that his current address wasn't on the statements he sent, so they were unable to accept the statements. Mr H tells the call handler he told this call handler on a previous call that this wouldn't have his correct address on. Mr H said he would wait for his new statement to come out showing his new address.

Mr H rings NS&I on 21 June 2023. The call handler confirms they have the statement, and someone would give him a call back that afternoon. Nobody rang Mr H, so he rang NS&I the following day. The call handler confirmed the block had been removed, Mr H was able to transfer to two of his external accounts with the same bank, but not with another external bank which he provided a statement for.

Mr H first tried to transfer funds out of his account on 2 May 2023, and he first spoke to NS&I about this on 4 May 2023. But it wasn't until 22 June 2023 that he was able to transfer funds out of his account. NS&I's process requires withdrawals to be paid into a verified account. I'm not persuaded that this is unreasonable. After all, I would expect them to be sure they were transferring funds to their legitimate customer with their legitimate account.

There were different ways which this could be done. An electronic verification, a warrant, or Mr H providing proof of his statements (showing his name and address). The electronic check didn't pass. Mr H had been given different explanations about why this was. But I'm not persuaded that NS&I would be aware of the reason why it didn't pass. And this wasn't a process where they would pick up the phone to the bank to verify this. But regardless of the reason, the manager confirmed to Mr H they see a pass or a fail. So the reason would likely be unbeknown to NS&I staff. The first call handler speculated on the reason to Mr H about a mismatch of address, and Mr H often referred to the unclear explanation as to why this process failed. But as this did fail, it left Mr H with one of two options.

Mr H could receive a warrant. On one call Mr H agreed to this. But then he researched this, and he didn't want the warrant. I asked NS&I why their response mentioned the warrant being sent, and they told me that this was originally agreed on 4 May 2023 (I agree), but then Mr H had changed his mind after the final response letter had been sent. But Mr H told NS&I that he didn't want the warrant on a recorded call on 4 May 2023. NS&I said they sent their final response on 12 May 2023. So I'm persuaded that this contained incorrect information as Mr H had told them he didn't want a warrant prior to the final response being sent out. So this caused Mr H distress as it would appear they weren't taking his instructions seriously. But I can confirm to Mr H that I can't see any evidence a warrant was sent.

The majority of delays was because Mr H's address was not up to date. So when his account couldn't be verified and he didn't want a warrant to be sent to him, this meant he needed to send a statement to NS&I. I've looked at the original terms and conditions of Mr H's account as this is what he would have needed to have agreed to upon opening the account. I've also compared this with the current customer agreement in force at the time Mr H attempted to make the £5,000 withdrawal.

Both of these documents are clear that Mr H must let them know of any change to his name, address, telephone number or email address, to be able to manage his holdings efficiently. So as Mr H was residing overseas, and NS&I hadn't been informed of Mr H's overseas address, then I can't hold NS&I responsible for Mr H not letting them know the change when he moved address.

*I'm persuaded that if Mr H had informed NS&I of the change of address, then this would have mitigated some of the delays. It would also be reasonable of NS&I to expect that Mr H would have updated his address with his other banking providers. But if Mr H didn't do this – or want to do this, then I would expect NS&I to have checks in place to ensure the payment request was legitimate and to ensure they met any legal or regulatory requirements they needed to follow. And so I would expect delays in this instance. So I don't find that NS&I were wrong to make further checks. And the customer agreement also shows NS&I can stop, suspend, or restrict online and phone payments.*

*I'm not persuaded that if Mr H had been given clear instructions from the outset, then this would have resulted in his funds being paid in a noticeably quicker time than when they were on 22 June 2023. I say this as once the account wasn't verified, he would always have needed to send NS&I an account statement showing his correct address to them. It would be out of NS&I's control how long an external bank could do this once it was updated on their system. And while the external bank sent Mr H a covering letter with his correct address, the statements themselves did not show his new address, so I wouldn't expect NS&I to accept these. So he would have to wait until his external provider could send him statements displaying the correct address in order for NS&I to accept this.*

*So while I'm not persuaded that NS&I's process is unfair with there being three options for the payment to be processed – an electronic verification, a warrant, or proof of the statement displaying all of the correct details, I'm persuaded that Mr H suffered numerous examples of poor customer service during the seven weeks when he first contacted them.*

*The poor service included Mr H being told unclear information about the verification process, conflicting/incorrect information about the verification process, being placed on hold without an explanation why, sometimes for unreasonable amounts of time without a call handler checking he was still ok to hold, poor service from a specific call handler who often interrupted Mr H, confused the situation further, wouldn't allow Mr H to continue what he was saying, ending a call without him explaining what he wanted to add onto the complaint, him being told unclear information about the statement he was sending to them (as he had told the call handler it would show the old address, but the call handler didn't tell him to wait for the statement until this showed his new address), an inaccurate statement in their final response letter, no call back when he was promised, which inconvenienced Mr H having to call back the following day.*

*Despite Mr H sending at least six emails to the managers, NS&I could only locate one email, and I've not seen any evidence the managers responded to Mr H at any time. Mr H was told to ring back in seven working days on one call, only for the next call handler to apologise for incorrect information. He was also told by one call handler that they had the statements, only for another call handler later on to say they didn't have the statements.*

*So I've considered what would be a fair outcome for this complaint. Mr H could have mitigated some of the delays if he had updated his details as it was his responsibility to do so with the terms and conditions. And I can't conclude that NS&I's process was unfair or unreasonable, although this was relayed to him in a confusing and sometimes incorrect/conflicting manner. But I do think compensation should be paid for the numerous examples of poor service that I've listed above.*

*So I'm persuaded that £200 compensation is proportionate for the poor service provided by NS&I to Mr H. I'm persuaded that this takes into account the distress and inconvenience caused to Mr H. So it follows I intend to ask NS&I to put things right for Mr H."*

*I invited both parties to let me have any further submissions before I reached a final*

decision. Mr H accepted the provisional decision, NS&I did not respond to the provisional 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.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

### **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 Mr H £200 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 Mr H £200 for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 April 2024.

Gregory Sloanes  
**Ombudsman**