

The complaint

Ms T complains about the very poor service National Savings and Investments (NS&I) provided when she wanted to encash part of her premium bond holding.

Ms T says that due to the delays on NS&I's part, she missed out on the opportunity to buy a second hand car at a lower price. She says that by the time she received the money from NS&I, the price of second hand cars had increased.

To put matters right Ms T wants NS&I to compensate her for the trouble and upset its poor service caused her and to contribute to the increased cost of her replacement car.

What happened

In early March 2023, Ms T decided to encash part of her premium bond holding. Ms T wasn't able to use NS&I's on-line or telephone service for the encashment as she wanted to retain her oldest bond. As this was the case, she was told she needed to complete a 'cash-in' form detailing the bond certificates she wanted to encash.

I understand that Ms T had some difficulty getting to speak to a call handler as NS&I's automated Virtual Assistant couldn't provide Ms T with an explanation on how to encash specific bonds. NS&I accepts that when Ms T spoke to its call handler it wasn't made clear that Ms T would need to download a postal cash-in form from NS&I's website and once completed, send it to NS&I.

On 14 March 2023, NS&I received a completed cash-in form from Ms T. Unfortunately, it appears Ms T had incorrectly recorded the value of one of the bonds and had given an incorrect reference number in relation to another bond she wanted to encash.

NS&I didn't explain to Ms T where the information she had provided was incorrect, it simply wrote to her to say, *'some of the information provided is incorrect'*.

Ms T contacted NS&I by both email and telephone to try to resolve the issue. During the telephone call NS&I said it would send Ms T a full list of all her bonds and said she could select the ones she wanted to cash in, rather than having to write out the details of all the bonds. In the call NS&I told Ms T to *'..highlight on there the ones you want to cash in'*. It said once it had received details of the bond she wanted to encash, it would arrange for Ms T to receive the value of these bonds.

Ms T complained to NS&I as she felt it should have told her about this option when she first spoke to it about wanting to retain her oldest bond.

NS&I received the schedule of bonds from Ms T, on 3 April 2023. Unfortunately, when Ms T returned the form with the bonds she wanted to encash highlighted, there were further delays, as NS&I scanned Ms T's bond schedule and the highlighting wasn't visible on the scanned copy. It contacted Ms T again to say that it was unclear from the schedule which bonds Ms T wanted to encash.

On 12 April 2023 Ms T emailed NS&I again. She said that she needed the money from her bonds to be available in her bank account by 15 April 2023, and she noted that NS&I had failed to tell her what the problem was with the bond schedule she had returned to it. Ms T then emailed NS&I again on 14 April 2023, chasing the money. On 15 April 2023 she emailed again. In this email she explained that she was unable to go ahead with the purchase of a car because she had not received the money from NS&I.

There were further delays and the cash-in request was not processed until 4 May 2023. I understand that the money reached Ms T's nominated bank account on 9 May 2023.

NS&I said it accepted that the service Ms T had received was unsatisfactory and it paid £75 into her bank account to compensate her for its failings. Ms T has said this caused her further problems as she did not receive its letter setting out that it was paying her £75 for the inconvenience its poor service had caused, until after the money had been paid into her account. Ms T said she had contacted her bank about the payment as when it was credited to her account, she thought it may have been paid to her in error.

After Ms T referred her complaint to this service NS&I increased its offer. It said it accepted Ms T had '*suffered from very poor service and has been without the use of a car for a significant period of time*'.

It offered to pay Ms T a further £225 (taking the total redress offered to £300) plus 8% simple interest (a total of £44.71) on the money Ms T had wanted to withdraw from 5 April 2023, the date she originally asked for the repayment to be deferred until (so her bonds would be included in the April draw) – until 8 May 2023, the day before the funds reached her bank account.

Our investigator said he thought this offer was fair and reasonable and he didn't think NS&I needed to do more to resolve Ms T's complaint.

Ms T was not satisfied with our investigator's view and asked for her complaint to be determined by an ombudsman. She reiterated that she felt the service NS&I had provided was very unsatisfactory and had caused her significant worry and inconvenience. Ms T also said that by the time she had received her money from NS&I, second hand car prices had risen and as a result she had needed to pay more for a replacement car.

Ms T said:

I was not expecting full recompense from NS&I for the extra amount I paid, though in reality it was so significant they really should be accountable, but the time I expended, the stress I suffered and the length of time I had to manage without a car I do feel warranted higher compensation.

Our investigator reiterated that he felt the offer NS&I had made was fair. He explained that, based on the information he had seen, there was nothing to show that Ms T had made NS&I aware that she needed the money by a particular date before 12 April 2023, when Ms T said she needed the money by 15 April 2023. Likewise, he said there was nothing to suggest that NS&I could reasonably have known that the cost of second hand cars would increase between April 2023 and May 2023. In view of this he said he couldn't reasonably require NS&I to contribute towards any increase in the cost of the car Ms T subsequently purchased.

Ms T remained unhappy with the redress NS&I had offered and asked for her complaint to be determined by an ombudsman.

I listened to all the call recordings NS&I provided to this service in connection with Ms T's complaint. Having done so, I was not satisfied that NS&I's claim that on 23 March 2023, it told Ms T to '*star*' the bonds she wanted to cash in on the schedule it had sent to her.

I didn't think this was a fair reflection of the conversation Ms T had with NS&I. In the call I noted that the NS&I representative told Ms T four times to '**highlight**' the bonds she wanted to cash in. There was only a passing mention of putting a star next to the bonds instead, '*... highlight or put a star next to the ones you want to be repaid*'.

In view of the incorrect information it gave in this call, and the subsequent delays Ms T experienced as a result, I asked NS&I to reconsider the redress it had offered. I explained that the offer NS&I had made appeared to have been based on it having given correct information to Ms T in this call, when this was not the case.

NS&I responded to say that it was willing to increase its offer by a further £450, in addition to the £75 it had already paid Ms T, plus the £44.71 in interest it had offered to pay.

I asked our investigator to put this increased offer to Ms T. Unfortunately, due to an oversight our investigator initially overstated how much more NS&I were offering to pay in compensation. Ms T was then unwilling to accept the actual amount, and so the complaint has come to me to decide a fair outcome.

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.

It is not in dispute that the service Ms T received from NS&I was very unsatisfactory and I appreciate that this matter has caused Ms T considerable worry and inconvenience.

What is in dispute is whether the redress that NS&I has offered to pay Ms T is reasonable in the circumstances of this complaint.

I think that if NS&I had not incorrectly told Ms T (four times in the same call) to highlight the bonds she wanted to encash, the delays Ms T experienced between late March and early May 2023 could have been avoided. It would also have saved Ms T from a considerable amount of worry and inconvenience.

But having very carefully considered this matter, I think the most recent offer from NS&I to pay Ms T a total of £569.71 is fair and I cannot reasonably require it to pay more. I'll explain why.

I can see that because Ms T wanted to retain her oldest bond holding the encashment process she needed to follow was more complicated than it would otherwise have been. If Ms T had not wanted to retain a specific bond holding she could have used NS&I's online service to instruct it to carry out the part encashment. However, it appears that where a customer wants to encash particular bonds this process has to be carried out manually by NS&I.

I note that Ms T has said she feels NS&I should be required to update its systems to make part encashments more straightforward.

This service determines complaints on their individual merits. We do not have the power to order a business to change its processes, or to take disciplinary action against a business for any regulatory failings. That is the role of the industry regulator, the Financial Conduct

Authority (FCA). If Ms T wishes to pursue her concerns about NS&I's processes, she may wish to raise this with the FCA.

As I set out above, during the telephone calls Ms T had with NS&I, I think it failed to make clear that she needed to mark (not highlight) the bond schedule it sent to her to indicate which bonds she wanted to encash. Had NS&I given Ms T the correct information, I think Ms T would have avoided the delays she experienced between late March and early May 2023.

I am also mindful that due to the problems Ms T experienced encashing part of her bond holding she was unable to proceed with a car purchase in mid-April 2023.

I note that Ms T has said second hand car prices increased between mid-April 2023 and mid-May 2023 and she feels NS&I should contribute towards the increased cost of her replacement car. I am sympathetic to Ms T's position, but I can't reasonably require NS&I to offer additional compensation for this aspect of Ms T's complaint.

As our investigator set out, Ms T didn't tell NS&I until 12 April 2023 that she needed the money by 15 April 2023, and it was only on 15 April that she told it that the delay was preventing her from purchasing a replacement car. I appreciate that not being able to proceed with a car purchase added to the inconvenience Ms T experienced, but I think the increased total offer of £569.71 that NS&I has made is fair in the circumstances of this complaint.

In reaching this view I have taken into account that not all the problems and delays Ms T experienced were solely caused by NS&I. As I set out above, it appears Ms T made some errors on the first set of encashment instructions she sent to it and this also caused a delay. That said, I do not underestimate the frustration this matter has caused Ms T or that the service she received from NS&I was very poor, but I do think the increased offer NS&I has made is fair and I cannot reasonably require it to pay more.

I do understand that this is not the decision Ms T was hoping for, but I am required to be fair to both parties when determining complaints.

My final decision

My decision is that, for the reasons I have set out above, I uphold this complaint.

I think the increased offer National Savings and Investments has made to pay Ms T a total of £569.71 (including the £75 it has already paid to Ms T) is fair and reasonable in the circumstances of this complaint. I simply leave it to Ms T to decide if she now wishes to accept this offer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 8 May 2024.

Suzannah Stuart
Ombudsman