

The complaint

Mr T complains National Savings and Investments (NS&I) provided poor customer service when he attempted to withdraw funds from his premium bond account.

What happened

Mr T says in late July 2023 he contacted NS&I to enquire about transferring funds from his premium bond account (PB) and how he could add new bank account details for the funds to be sent. Mr T says during that call he went through multiple security questions.

Mr T says he had to call NS&I again as he was unable to change his bank details online and again went through the security process. The following day Mr T was called by NS&I's security team to check the authenticity of the payment request and he had to go through further lengthy security questions, and after the call was cut off no one from NS&I called him back.

Mr T says he had to call again to ensure the transaction had gone through and raised a complaint about the service he received. Mr T says NS&I have repeatedly caused him issues due to its poor customer service failures and he feels it should be fined and he should receive a compensation payment of £300 for the amount of time he has spent dealing with this matter and the stress it has caused.

NS&I have accepted it should have returned Mr T's call when he complained in early August 2023 and paid him £50 for that. That said NS&I don't accept it acted unreasonably when going through the additional security checks when it did, as it undertakes random security checks to safeguard customers to ensure customers funds are securely protected.

NS&I apologised that the security checks weren't fully completed in an earlier phone call due to a technical issue, but these were finalised on 3 August 2023.

Mr T wasn't happy with NS&I's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator explained it wasn't the role of this service to fine businesses or to tell businesses how it operates or treats its customers.

The investigator says he listened to the phone call recordings and while he could understand Mr T's frustration, based on the evidence he'd seen, he didn't feel it was unreasonable for NS&I to carry out further security checks to verify the new bank account the payment was being sent to was in Mr T's name. The investigator says at no point during these calls was Mr T told his payment had been successful or wouldn't require further checks – rather Mr T was talked through how to set the payment up online.

The investigator felt that while the payment details may have been correct, this didn't mean it was unreasonable for NS&I to carry out further checks.

The investigator acknowledged NS&I could have handled things better after the complaint

phone call dropped, but he felt the compensation of £50 it had paid for that was fair in the circumstances.

Mr T didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating for Mr T to have to answer multiple security questions at different times, to initiate a payment from his PB account. When looking at this complaint I will consider if NS&I acted unreasonably when it required further layers of security to be passed by Mr T, before the transaction could be made.

Mr T's complaint centres around the fact that he spent an unreasonable amount of time going through NS&I's security questions and that he was left to call them to check to see if the payment he'd requested had gone through. Mr T feels NS&I's customer service failings will continue unless this is addressed, and it is penalised for this.

The first thing to say here is it's not the role of this service to penalise or fine businesses when mistakes are made or as explained by the investigator to tell them how its systems must operate. That would be the role of the Financial Conduct Authority. My role is to look at what's fair and reasonable in the individual circumstances of a complaint – so here I will be looking at Mr T's complaint about the service issues he experienced when trying to withdraw funds from his PB account.

I have listened to a number of call recordings Mr T had with NS&I between late July 2023 and early August 2023. It's fair to say Mr T was provided help by the NS&I service team initially, helping him to set up new bank beneficiary details. The issue seems to stem from when Mr T received a call the following day from NS&I's separate security team, to check the authenticity of the payment he had requested to make.

During that call the agent explained he needed to go through further security questions which perhaps understandably was of a frustration to Mr T, having gone through this previously when he called. During that call Mr T does get upset about the number of questions he was being asked and unfortunately this call for some reason cuts off.

So here while I understand Mr T's frustration and the fact he simply wanted the payment he instructed to be made, while he may not agree, NS&I do have a responsibility to safeguard its customers accounts from fraud, especially when dealing with a sizeable transaction like this going to recently changed bank account details which it was unable to initially verify. It's not for me to tell NS&I what those procedures must be or the frequency of such additional layers of security, so with that in mind I can't say it has acted unreasonably here.

I can see NS&I did complete the transaction in the timescales Mr T initially asked for, following his call to them on 3 August 2023. That said NS&I have acknowledged it could have provided a better service when the phone call dropped, and it should have called him back and as a result paid Mr T £50 for that – overall and on balance I'm satisfied that was fair here.

While Mr T will be disappointed with my decision, I won't be asking anymore of NS&I here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 June 2024.

Barry White
Ombudsman