

The complaint

Ms T complains that National Savings and Investments (NS&I) declined her requests to withdraw funds from her Guaranteed Growth Bonds (GGBs) before the maturity date.

What happened

Ms T held three GGBs with NS&I that were opened several years ago. Previously the GGB products allowed customers to make withdrawals before maturity by paying 90 days' interest. NS&I has explained that in 2019 it took the decision to change the way its GGBs operate meaning that when a new bond was arranged, early withdrawals were no longer allowed before maturity. NS&I introduced a 30 day cooling off period from the date a GGB was opened where customers could change their minds.

In January 2021 two three year GGBs in Ms T's name renewed. NS&I says that it contacted Ms T in advance of the renewal date to provide up to date product terms and explained there were changes in the way the GGBs would operate. The new GGBs were set up with three year terms due to end in January 2024. In January 2022 a five year GGB renewed with an end date of January 2027. Again, NS&I says it contacted Ms T in advance of the renewal date to provide details of the change to the way its GGB works and the restrictions on withdrawing funds before maturity.

Last year, Ms T contacted NS&I and explained she wanted to withdraw the funds in her GGBs. But NS&I explained that withdrawals before maturity were not permitted under the GGB terms and declined Ms T's request.

Ms T went on to raise a complaint and NS&I issued a final response. NS&I explained that when Ms T's GGBs had renewed it applied the terms that applied at the time. NS&I confirmed withdrawals were not permitted before maturity.

An investigator at this service looked at Ms T's complaint. They weren't persuaded NS&I had treated Ms T unfairly or made a mistake by declining her request to make withdrawals before maturity. The investigator also said interest rates paid on the GGBs were in line with the information NS&I had given Ms T at the point of renewal. Ms T asked to appeal and said NS&I's stance was unfair as it failed to take into account her age. As Ms T asked to appeal, her complaint has been passed to me to make a 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've

focused on what I think are the key issues. My approach is in line with the rules we operate under.

I understand that when Ms T first opened the GGBs with NS&I early withdrawals were permitted by paying 90 days' interest. But NS&I changed the way its GGBs worked in 2019. From that point, when a new GGB was opened no early withdrawals were permitted before maturity. But customers were given an initial 30 day period to change their minds and notify NS&I they no longer wanted to proceed.

When Ms T's existing GGBs came to the end of their terms in 2021, NS&I issued renewal letters to her. Those letters prominently explained the changes to the way NS&I's GGBs operated and that withdrawals would not be permitted before maturity. The renewal letters also confirmed the interest rates NS&I would pay on the funds held. Both GGBs renewed with new three year terms that expired in January 2024.

In January 2022 Ms T's other GGB came up for renewal and NS&I says it sent the relevant paperwork to her in advance of that date. NS&I says its letter confirmed the new arrangements and that withdrawals before maturity would not be allowed outside the initial 30 day cooling off period. The interest rate NS&I would pay was also confirmed. The GGB renewed with the end of term date set to January 2027.

I appreciate the way NS&I's GGBs worked changed after Ms T first opened them. But I'm satisfied that NS&I clearly set out the new arrangements in all renewal paperwork that was sent to Ms T. The changes were prominently displayed, clearly explained and not buried in the small print of NS&I's terms and conditions. So I'm unable to agree that NS&I failed to take the necessary steps to ensure Ms T was aware of the new restriction on making withdrawals before maturity of her existing GGBs.

I understand why Ms T has asked NS&I to consider early withdrawals. But I'm satisfied NS&I considered Ms T's request and that its decision to leave the maturity date in place was fair and in line with the relevant terms. And I'm satisfied the interest rates NS&I has paid to Ms T's GGBs is in line with the information it provided at maturity and have been correctly applied.

I'm very sorry to disappoint Ms T but as I'm satisfied NS&I provided clear information at maturity of her existing GGBs and has fairly applied the terms, I'm unable to agree it's treated her unfairly or made a mistake. As a result, I'm unable to uphold Ms T's complaint.

My final decision

My decision is that I don't uphold Ms T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 17 May 2024.

Marco Manente
Ombudsman