

## **The complaint**

Mr and Mrs P have complained about the poor service they received from National Savings and Investments (NS&I) in transferring funds to new accounts.

## **What happened**

Mr and Mrs P held income bonds as trustees with two other parties. In September 2023 they contacted NS&I by phone as they wanted to transfer the funds to Guaranteed Income Bonds (GIB) which paid higher interest. It appears that following the call NS&I sent them the wrong application forms. NS&I received the forms back on 14 September. The forms hadn't been signed by all the trustees.

On 18 September NS&I sent them the correct forms.

The correct transfer forms were signed by all the trustees and received by NS&I on 3 October. Then NS&I sent them three letters asking for information which was either irrelevant or already contained in their application forms.

Mrs P says one account was opened on 27 October and backdated to 10 October. On 17 October NS&I processed the switch of the other account but incorrectly switched it to another income bond instead of the GIB that they had requested.

On 23 October NS&I discovered that it had set up a wrong account.

On 2 November a dividend payment of £90.86 was paid on the income bond that had been set up incorrectly. Later in November NS&I set up the GIB that had been originally requested. It backdated the GIB to 3 October. It didn't reverse the dividend payment and also paid a total of £150 compensation.

Mr and Mrs P didn't think this was sufficient for the stress and anxiety they had suffered. They referred a complaint to this service. Our Investigator didn't uphold it. She thought the total redress of £240.86 paid by NS&I was fair.

As Mr and Mrs P didn't agree, the matter has been referred to me.

## **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 note that in acknowledging its mistake NS&I took steps to put Mr and Mrs P in the position they would have been in had the switches been processed correctly. This in line with what I'd have expected it to do given its error. Mr and Mrs P would have had to re-sign the original forms anyway because they hadn't been signed by the other trustees. Because of that I think it's reasonable to assume that the earliest date on which the new GIBs would have been set up is 3 October 2023, being the date on which the second forms were returned to NS&I. One GIB has now been backdated to that date, so no interest has been lost on that account.

The other account was set up with effect from 10 October. Even if arguably NS&I should have processed the transfer sooner, the fact that they received a dividend payment of £90.86 which they weren't expecting more than compensates them for this.

All the parties agree that Mr and Mrs P received poor service in connection with the switch of the two trustee accounts. They were sent the wrong forms, received three letters asking for information which wasn't relevant and/or needed, given incorrect information in the course of a phone call and a wrong account was set up for one of the transfers. They made a total of seven phone calls to sort the matter out. This must have been very frustrating for them. So the only matter remaining for me to determine is how much Mr and Mrs P should fairly receive for the trouble and upset they suffered.

Calculating compensation in such situations isn't an exact science. Overall, taking into account the problems that occurred in this case, the impact on Mr and Mrs P and the levels of compensation awarded by this service in complaints with similar circumstances, I think £150 compensation is reasonable. I appreciate that they will be likely disappointed by this as they think the two transfers should be treated as separate complaints and the compensation should be doubled. I disagree. Although NS&I handled the applications differently, they were made at the same time by Mr and Mrs P and dealt with together by them. So I can't see that having two applications doubled the trouble and upset they suffered. Overall, in the circumstances, I think the sum of £150 is fair and reasonable for the total trouble and upset in this case.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 20 June 2024.

Elizabeth Grant  
**Ombudsman**