

## The complaint

Mr R's complaint is that National Savings and Investments ("NSI") declined his application to open a Premium Bond account.

## What happened

On 6 April 2023 Mr R submitted a postal application to open a Premium Bond account. The account opening form required that he provide his name, address, place and date of birth, nationality and national insurance number. In addition, because Mr R included a cheque to be invested, he had to provide details of the account on which it was drawn.

Following receipt of the application, NSI wrote to Mr R on 12 April to say that it needed proof of his identity and address. The letter said that he needed to provide this by 2 May, and enclosed a leaflet explaining what documents were acceptable and how Mr R should get copies certified.

Mr R replied on 27 April. His letter enclosed certified copies of the main pages of his passport and a utility bill.

On 5 May NSI wrote to Mr R again. Its letter said:

*"We recently wrote to you to ask for your documentary evidence of identity and address. We explained that we needed to receive these documents within 21 days of the date of your investment, otherwise we would not be able to accept it. This time limit has now passed and as we have not received all the documents we need, we're sorry that we are unable to accept your investment so we are refunding your money."*

Mr R challenged NSI's position. He thought it must have received the documents before the deadline had expired and that it should therefore open the account. Initially, NSI did not reply to Mr R. When it did reply, it said that it had received his evidence of identity documents on 8 May, outside the 21-day period it allowed. It explained that the time limit was to ensure that bonds that might later have to be cancelled were not included in the prize draw. NSI also commented however that Mr R's identity documents would not have been accepted in any event, since the names on them did not exactly match. It acknowledged though that it had not replied to Mr R's earlier correspondence and paid him £100 in recognition of that.

Following further correspondence, Mr R referred the matter to this service. He noted that all his correspondence with NSI – except the time-critical letter enclosing his identity documents – had been received within a few days, so it was likely that NSI had received it sooner than it claimed.

Mr R explained too that he generally uses a shortened version of his first name, but that his passport includes his full name. The name on the application and on the utility bill therefore matched each other, but they did not exactly match the name on Mr R's passport. He said that NSI should accept the documents he provided and referred to the UK government's Good Practice Guide (GPG) 45 on checking identity, which includes:

*“The identity is also sometimes shown as a synonym on different pieces of evidence. For example, it might say the person’s name is Samantha on their passport, but Sam on their bank card.*

*“You can usually accept a synonym unless you need to know the claimed identity’s ‘official name’. This is the name on any official documents they have, such as their passport.”*

As NSI is a government-backed entity, Mr R says it should follow this guidance.

One of our investigators considered what had happened but did not recommend that Mr R’s complaint be upheld. Mr R did not accept her assessment and asked that an ombudsman review the case.

I did that and issued a provisional decision in which I said:

*I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.*

*It is for financial businesses to decide the terms on which they will, or will not, open accounts or otherwise provide financial services to customers or potential customers. This service will not generally interfere with the legitimate exercise of their commercial discretion in such matters.*

*In this case, NSI has explained why it needed to verify Mr R’s identity and why it set a time limit for him to provide the necessary proof. I do not believe it acted unfairly in doing so.*

*I am satisfied that NSI’s letter of 12 April 2023 explained what Mr R needed to provide and that he needed to reply by 2 May. I must therefore consider whether he did so.*

*I can understand why Mr R believes that he replied in time and that his letter and documents must have been received before NSI says they were, on 8 May. The main issue however is whether they were received on or before 2 May. Mr R’s letter was dated 27 April, a Thursday. The following Monday, 1 May, was a bank holiday. So, assuming the letter was posted the day it was written, there were four clear days between then and 2 May. However, three of those were a bank holiday weekend. Both Mr R and NSI have noted that there was some disruption to postal services due to strike action at around that time. In the circumstances, I think it is quite likely that the letter was not in fact received until after the deadline of 2 May. I do not need to decide when exactly it was received, although I do note that Monday 8 May, the date on which NSI says it was received, was also a bank holiday.*

*I turn then to the question of whether NSI should have accepted (or should now accept, updated where necessary) the documents which Mr R provided. Whilst it was NSI which raised the issue (when it commented that the documents would not have been accepted in any event), that was not the reason Mr R’s application was declined. To that extent, therefore, it is a hypothetical issue at this point. It may of course become a real issue if Mr R chooses to make a fresh application which is declined for that reason.*

*I do not believe however that I need to address that particular question in order to determine this complaint, and I make no further comment on it. I am satisfied that NSI was entitled to decline Mr R’s application on the grounds that he did not provide the necessary identity documents in time.*

I said that I would consider any further evidence and arguments that the parties wished to provide before I issued a final decision. I gave them until 2 May 2024 to send me any further information. I have not received anything more from NSI or from Mr R.

**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 I have received nothing further in response to my provisional decision, I see no reason to reach a different overall conclusion in this final decision. In saying that, I stress that I have considered the case from the outset before issuing this decision.

**My final decision**

For these reasons, my final decision is that I do not uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 June 2024.

Mike Ingram

**Ombudsman**