

## The complaint

Mrs B – Mr B's mother has brought the complaint to us on Mr B's behalf – acting as his representative. As she's solely dealt with correspondence for the account, I'll refer to her throughout the decision. But it's Mr B's complaint under our rules.

Mrs B complains about National Savings and Investments' (NS&I) handling of Mr B's premium bond account. She doesn't think NS&I's policy for account holders over 16 is reasonable and she's unhappy with its overall customer service.

## What happened

Mrs B's address was changed in 2019 following a call from her to NS&I, but Mr B's wasn't. Mrs B called NS&I in October 2023 to purchase bonds and discovered that the account was blocked due to returned letters in June 2023. She was also told that since Mr B is 16, he'd now be responsible for managing his account.

Mrs B complained to NS&I in January 2024 about the address change, and she told NS&I that Mr B wasn't mature enough to manage the account without her consent. NS&I said that they have a process for this called the 'Care and benefits scheme' (C & B scheme) and sent her a form to complete, which requested a medical letter to support the situation with her son.

Mrs B complained about the medical letter requirements but provided evidence to support why Mr B couldn't manage the account. NS&I then restricted the account to limit withdrawals and changed it to post-only as per their policy. They also re-issued any unclaimed prizes that were sent to the old address; however, these were still issued incorrectly as they were sent in Mrs B and Mr B's name rather than Mr B's.

Mrs B raised a further complaint about the C & B scheme as she wanted to continue managing the account as she had previously – via NS&I's website and over the phone. She also complained about the way the prizes were reissued as they couldn't be cashed. Soon after Mrs B added a complaint point about missing correspondence and requested that anything missing is resent to her. Since then, Mrs B has stated that Mr B is also unhappy that he's now unable to manage the account outside of written correspondence.

NS&I accepted their error in the way that the C & B scheme was explained to Mrs B and the errors in the way the cheques were sent – providing £350 compensation. While the complaint was with us, they offered a further £75 for the delays in sending missing correspondence bringing the total to £425.

NS&I has since confirmed that the reissued prizes have been cashed and any new prizes are being reinvested. They've also sent Mrs B any correspondence sent to the old address and a breakdown of the prize winnings for that period. However, they didn't agree that they made an error in the delay in updating Mr B's address and they didn't think that they had applied their policy unreasonably.

One of our Investigators reviewed this complaint. They agreed that NS&I had applied their

policies reasonably and that they weren't responsible for the address change issue. They found that NS&I had made some mistakes, but £425 compensation was enough to recognise the impact this had on Mr B. Mrs B didn't agree and asked for the matter to be reviewed by an ombudsman.

### **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.

Mrs B has raised a number of issues, while I've considered everything she's said, in line with this service's role as a quick and informal resolution service, I'll be focusing on what I think is the crux of the complaint in achieving a fair resolution.

#### *The delay in updating the address*

Mrs B stated that she called NS&I in 2019 to change the address for her and her son's account as they lived together – only her address was updated. NS&I has said that this wasn't possible at the time due to their process, instead they would have advised Mrs B to write in to change Mr B's address – which wasn't done. The call is no longer available due to the time that's passed, and NS&I are unable to provide any notes or evidence to show what was said in the call. Due to this, I'll be making a finding on the balance of probabilities. That is, what I consider most likely to have happened based on the available evidence.

At the time, NS&I would have been unable to allow Mrs B to update Mr B's address over the phone. So, for Mrs B to leave this conversation believing that it had been done, NSI would have had to confirm they had done something outside of their processes.

If Mrs B did attempt to update Mr B's address, I think it's more likely than not that she would have at least been told that it couldn't be updated. I can't see that NS&I received any correspondence from Mrs B or Mr B until Mrs B contacted them in June 2023. So, the evidence suggests that Mrs B may have assumed that updating her address would also update Mr B's address. Based on this, I don't think NS&I are responsible for the delay.

#### *NS&I safeguarding process*

Our Service isn't able to dictate what policies a business should have in place and we can't tell them to change them – this is between them and the FCA. Our role is to consider whether a policy has been applied fairly and reasonably in the circumstances. Therefore, that's what I've considered here.

Based on what I've seen, the C & B scheme looks to fit Mrs B's initial requests. Mrs B's provided evidence to show that Mr B couldn't manage the account or have conversations with NS&I, so it's suitable for NS&I to put appropriate restrictions in place.

In these circumstances, the policy then allows Mrs B to manage the account for Mr B but restricts further investments and limits withdrawals as they need to be for Mr B's care and benefit.

Once Mr B turned 16, he was assumed to have capacity which limits what Mrs B can do on his behalf. Until Mrs B becomes a legally appointed representative for Mr B, it's reasonable for the C & B scheme to be in place as it follows the requirements while still providing Mrs B oversight of what happens. I don't think that's unfair or unreasonable, I also don't think discrimination has occurred when putting the policy in place due to Mrs B's requests.

While the complaint has been with us, Mrs B's expressed concerns that Mr B isn't able to make investments on his own or talk to NS&I on the phone about his account. This contradicts Mrs B's initial request stating that Mr B wasn't mature enough to do this. If this has changed and Mrs B wants the restrictions removed, she'll need to contact NS&I about it directly so that they can consider this.

### *The handling of correspondence*

NS&I have accepted that their service fell short while handling Mrs B's requests. In particular, they've accepted errors for; the delay in sending correspondence, the errors in issuing the cheques in the correct way and for errors in the way that the C & B process was explained. I agree that all of these things have had an impact on Mrs B and Mr B.

But our Service can only award compensation to the eligible complainant – which is Mr B as he's the account holder. This means that while I can see Mrs B has also been affected by what's happened, I can only consider the impact on Mr B when thinking about an award for compensation.

The delays in correspondence and errors with the cheques led to Mr B being unable to utilise his unclaimed prizes for a longer period than necessary. Mrs B was the one corresponding with NS&I, so the inconvenience and stress of doing this would have been mostly felt by her rather than Mr B. Weighing everything up, I think the £425 compensation reasonably reflects the impact caused to him.

In response to the Investigator's outcome, Mrs B's explained that she now wants NS&I to communicate with her and her son in a specific way. As these are new points, they can't be considered under this complaint, so Mrs B will need to contact NS&I directly so that they can consider them.

Finally, I note Mrs B also expressed a number of concerns about how NS&I handled the complaint. However, as complaint handling itself isn't a financial activity under our rules, it's not something I can comment on further.

### **My final decision**

My final decision is that I'm satisfied National Savings and Investments made a fair offer of compensation (£425) to resolve this complaint. As it's told us it's paid that, I make no direction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 February 2025

Chris Lowe  
**Ombudsman**