

The complaint

Mrs A complains about the service she received from National Savings and Investments (“NSI”) when trying to transfer the funds she held in her investment account to another account opened with it with a better interest rate.

What happened

Mrs A held an investment account at NSI jointly with her late father (Mr O) who died 20 years ago. NSI were never informed of his death. On 24 March 2023 Mrs A attempted to contact NSI by phone for advice regarding how to move the account to another provider with a better interest rate. Mrs A says after three attempts to speak to a customer service representative and a 45 minute wait, she gave up and wrote to NSI instead.

Within the letter Mrs A enclosed a photocopy of the account books, a statement and a completed investment account withdrawal form requesting the money to be transferred to an account with another provider.

Mrs A received a letter from NSI dated 30 March acknowledging her new name and that future correspondence would go to her new address and asking for her new bank details. Mrs A was confused by this and called NSI on 25 April.

During the call Mrs A informed the representative her father had passed away. They explained that to deal with the account Mrs A’s details needed updating and that Mrs A would have to send by post a bereavement claim form and a copy of the death certificate as evidence her father had passed away. Once this is done NSI can remove Mrs A’s father’s details and she can then manage the account on her own and make the transfer.

Mrs A confirms she no longer wants to close the account and needs quick access to the funds as she is buying a house. The representative advises her to have a look at the website to decide what account she wants to open and transfer her funds to and that she will be able to download the required forms from there. Mrs A asks whether the death certificate is returned and whether they will accept a certified copy. The representative confirms the original death certificate will be returned and that if she wants the copy returned to make a note of this in the covering letter.

Mrs A confirms that NSI will send her the paperwork and she will complete this and return it with a copy of the death certificate which NSI will return, and then the details will be updated and Mrs A can then decide what account she wishes to open up. Following this a direct saver account is opened for Mrs A.

Mrs A completed and returned the forms on 13 May and they were received by NSI on 18 May. Mrs A didn’t include the death certificate as the paperwork didn’t ask for one and she only had one copy. Mrs A wrote on the form she wished to keep the account open with £100 and further down on the form provided the details of her direct saver account where she wanted the money to be paid to.

Having not had a response Mrs A called NSI on 31 May. Mrs A was told that her bereavement form had not been processed yet as there was a backlog of around a month. The representative attempted to check if the form had been received but as they weren't able to verify any security, they couldn't give Mrs A the information she wanted and so a complaint was raised about the delays.

NSI sent a final response to Mrs A on 15 June not upholding her complaint. It explained the bereavement team receive a high number of correspondence and that all work items have to be processed in date order.

The following day on 16 June NSI wrote to Mrs A requesting she send in the grant of probate and complete and return the enclosed repayment forms with the passbook and confirmed on receipt of this it would process her claim. The letter confirmed when interest is paid on the investment account and that her father's premium bonds were repaid in 2005.

Mrs A is unhappy with this response as she says the information in NSI's letter was incorrect as there is only one account and it was not in the sole name of her father and furthermore, she wasn't trying to make a claim but rather transfer the account to a direct saver account. Mrs A raised a further complaint about the lack of communication and misinformation received and says due to this the purchase of her property had fallen through.

Mrs A says she wrote to NSI on 9 July and followed this up with an email on 13 July regarding her complaint, but NSI failed to respond so she wrote again on 1 August. NSI says it has no record of receiving either correspondence or receiving the grant of probate which is needed before it can proceed with Mrs A's request. NSI apologised and sent Mrs A a cheque for £75 for the inconvenience.

Mrs A completed and returned the repayment form with instructions to transfer the funds to her direct saver account and enclosed a copy of the grant of probate on 11 October which NSI returned a few days later. NSI then sent Mrs A a switch form which would allow her to transfer the investment account to her direct saver.

Mrs A brought her complaint to this service. Mrs A wants the money to be moved as soon as possible and to be compensated for the loss of the two house purchases, lost interest and the time spent in dealing with this.

Following this NSI offered to settle Mrs A's complaint by paying a further £50 compensation for the inconvenience caused in addition to the £75 cheque sent and advised as it hadn't received the account switch form the funds remained invested in the investment account.

Mrs A didn't want to accept NSI's offer saying despite sending in all the required information and explaining what she wanted, NSI took weeks to respond or failed to answer her questions. Mrs A says she's missed out on a years' worth of interest and has never received the switch form. NSI provided a switch form and advised a copy can also be found on its website.

One of our investigator's looked at all of this and thought although there were some delays in the processing of Mrs A's father's death and transfer of funds they didn't think NSI were solely responsible for this. They thought NSI had made it clear that a grant of probate was needed and evidenced that the correct forms and requirements had been correctly sent to Mrs A within a reasonable time. But they agreed that the service could've been better at times – in particular when issuing generic letters – but thought the compensation of £75 paid and further £50 offered was a fair way to settle her complaint.

I issued my provisional decision on 26 June 2024. In my provisional decision, I explained why I was proposing to uphold Mrs A's complaint. I invited both parties to let me have any further submissions before I reached a final decision and neither NSI or Mrs A have added any new information.

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.

In my provisional decision I said that:

"It might help if I explain here my role is to look at the problems Mrs A has experienced and see if NSI has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put Mrs A back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And after considering everything, although I'm mostly in agreement with our investigator's findings, I'm currently intending on upholding Mrs A's complaint for the following reasons.

Although I agree with our investigator that NSI could only process Mrs A's request on receipt of the documents it required and that NSI did act within a reasonable timescale once this happened. I don't think NSI have been clear or consistent with what its requirements were.

My understanding is the account in question was a joint account held by Mrs A and her late father. Normally in situations like this on the death of one of the account holders the account passes by right of survivorship to the survivor and outside of the deceased estate. So I'm confused as to why NSI would require a copy of the grant of probate and I think all that should've been required was what NSI's representative advised during the phone call on 25 April – a copy of the death certificate and completion and return of the bereavement form.

I've looked carefully at the form and it says that where an account is held jointly the survivor should complete sections 1, 2, 5 and 6 and confirms that on completion the account will be held in the sole name of the remaining holder. Mrs A has completed all parts necessary and confirms on the form she wishes to keep the account open with £100 with the remaining transferred into her newly opened direct saver.

I accept that Mrs A didn't send in the death certificate and this is needed to evidence the account holder has indeed died, but rather than just ask her to send this in NSI sends a further letter requesting Mrs A to complete and return a further form to cash in the account – something she didn't want to do – and a copy of the grant of probate which I think is unnecessary in the circumstances.

Of course, it is possible the grant of probate might have been needed to deal with other accounts or premium bonds Mrs A's late father held in his sole name – but the account Mrs A was trying to deal with and the subject of this complaint is a jointly held investment account that should pass by survivorship outside Mrs A's fathers estate.

And so it is at this point where I think NSI made an error that has caused confusion and unreasonable delays.

Mrs A wants NSI to compensate her for the two lost property purchases and the time spent in dealing with this matter. But I've seen no evidence that property purchases have fallen through directly as a result of NSI's actions. I also note that Mrs A didn't inform NSI about

her father's death for 20 years and despite being told she needed to send a death certificate in by post she never did.

So I don't think I can say all the delays could've been avoided had NSI been clearer in its requirements to register a death and transfer funds to her direct saver account, or that Mrs A has lost out on interest due to this. But I do think Mrs A has been inconvenienced for which a compensatory award would be appropriate. NSI has so far offered £75 and then a further £50. But I think NSI should pay £250 compensation in total in recognition of the time Mrs A has spent on having what should have been a straight-forward matter sorted out.

So it follows I currently intend to uphold Mrs A's complaint and think NSI should pay Mrs A £250 compensation in total taking into account any money already paid. My understanding is that Mrs A rejected the £75 offer and never cashed the cheque and so if NSI hasn't done so already it should cancel it."

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.

My final decision

For the reasons I've explained, I uphold Mrs A's complaint against National Savings and Investments and direct it pay Mrs A £250 compensation deducting any monies already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and the estate of Mr O to accept or reject my decision before 23 August 2024.

Caroline Davies
Ombudsman