

## **The complaint**

Mr S complains about the overall customer service provided by National Savings & Investments ('NS&I') when handling queries and cancellation requests for two Guaranteed Income Bonds (GIB).

## **What happened**

Mr S purchased a £500 one-year fixed GIB online on 28 September 2023, he said he attempted to cancel this on the same day, but he couldn't. Mr S called NS&I a few days later to complain as the purchase required a debit card which he didn't think was suitable for large bonds. He requested a refund and was told it would take seven days to clear, so he raised a complaint about both issues.

The following day, Mr S purchased a £20,211.57 one-year fixed GIB online. Mr S then called NS&I to chase the £500 refund and confirm the 30-day cooling off period for the new bond purchase. The £500 bond closed and refunded on 6 October 2023. Mr S made some further calls to NS&I to check the cancellation period before calling on 24 October 2023 to close the £20,211.57 GIB, he also requested that the funds were sent to a different bank account.

NS&I were unable to verify the new account, so two days later they sent Mr S a letter to verify his new and previous bank details. On 28 October 2023 Mr S made several calls to NS&I to confirm the cooling off period and that the refund was being processed. On the final call, he was advised that the refund is on hold until he responded to the verification letter. Mr S complained that he wasn't told about this letter and requested that the payment was sent to his old details as he couldn't respond to it.

Mr S called NS&I again a few days later and received some conflicting information about the bond's status. He demanded the funds back as he had a deadline for it, and he raised a further complaint. NS&I attempted to call him back on the same day, they then closed the bond and issued the refund to the old account details.

Following this, Mr S made multiple calls to NS&I about the complaints he'd raised. NS&I has issued four final response letters to Mr S, providing £175 compensation. NS&I accepted that there were some service issues including dropped calls, but thought they worked within their timescales when providing refunds and their processes were explained in the Terms and Conditions (Ts & Cs). Unhappy with this, Mr S referred the complaint to our service.

The Investigator reviewed the complaint and upheld it. They thought that NS&I processed the closures correctly, but they should have provided better customer service. So, they recommended that the compensation be increased to £250.

NS&I disagreed because they thought the calls with Mr S had been difficult and most of them hadn't been necessary. They asked for an ombudsman to decide the case. As such, the complaint has been passed 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.

Mr S has raised multiple complaint points about his dealings with NS&I, while I've taken this onboard, I haven't addressed each point specifically as I've examined the overall service provided when carrying out his requests. Mr S' points also extend to NS&I's responses to his complaints and conversations he had about them. As complaint handling itself isn't a financial activity under our rules, that aspect of the complaint isn't something I can comment on.

### *The bond opening and closure process*

Mr S complains about several aspects of the bond opening and closure process. NS&I's sent evidence that Mr S confirmed that he read the brochure and customer agreement (Ts &Cs) before completing the purchase – so I'll need to take this into account.

The Ts & Cs explain that there are multiple ways to purchase the bond including a debit card or cheque. Mr S complained about the restrictions his bank could place on a payment over £20,000, but this looks to be an assumption. I can see that he was able to purchase the GIB for over £20,0000 shortly after cancelling the £500 GIB and he didn't mention any issues with this. If he'd attempted this in the first instance, I think it would have been successful, saving him time and inconvenience.

The Ts & Cs also explain that debit card payments will clear on the seventh banking day after being received and the initial closure request was worked in line with that timescale. The closure of the second GIB was processed within five working days. NS&I have said that their internal timescales are eight working days, but this was impacted by the new bank details that were provided.

I don't think it was unreasonable for the new bank details to be verified and it's not my role to suggest a change of NS&I's security processes. I think Mr S' expectations could have been better managed – which I'll address below, but overall, I'm satisfied the closure of the second GIB was handled in a timely manner.

When speaking to NS&I, Mr S provided multiple reasons for needing the funds back urgently – such as an investment and for cost-of-living reasons. I can see that the GIB is a fixed term product, and it isn't designed for the purpose of easy access to the funds – which is clear from the product information. I think Mr S should have considered this when completing his purchase as it would have led to less time spent on the phone and time spent chasing refunds.

### *How the calls were handled*

As mentioned, I can see that Mr S made a large number of calls to NS&I throughout October. Some of the calls were necessary and some of these were to confirm information he'd already been provided with or to chase NS&I when they were within their timescales. After reviewing the relevant calls, I think the service provided to Mr S could have been better in some key areas.

At least four calls on 28 October 2023 ended with the call being cut off mid-conversation. NS&I has said that this was due to technical issues, so they advised operators to explain the issues and apologise, but they were too busy to provide call backs.

I can't hear that NS&I made Mr S aware of any technical issues when answering calls from him, only that they apologised in one of the calls for the issues he'd had. I don't think this is in line with what we'd expect to see, and I think NS&I should have done more here to acknowledge the issues and provide alternatives.

While Mr S was demanding in some of the calls, NS&I weren't forthcoming with information about their processes and timescales. In some calls Mr S was required to ask continuous questions about the next steps rather than them being explained to him. He was also promised contact via email when this doesn't look to be something NS&I would do.

I'm satisfied that the security process around the new bank details were reasonable and necessary. However, based on the information I've received from NS&I, I think on balance that further verification would have been necessary with the new nominated account requested over the phone.

Based on this, I think NS&I should have done more to manage Mr S' expectations when he made this request as receiving and responding to a letter can potentially delay the refund process by weeks. I think Mr S left this call believing that the change wouldn't lead to delays and had Mr S known more about this process, I think he would have changed his mind about the bank details to speed up the refund.

Overall, I think NS&I acted in line with their processes when opening and closing Mr S' GIB's, instead I think this is a case of Mr S choosing a product which didn't suit his needs at the time. However, I agree that the customer service fell down in multiple areas which has led to an impact on him.

### **Putting things right**

It's clear that having multiple calls being cut off repeatedly would have caused and compounded Mr S' distress and inconvenience. He said the wait times were long for these calls and with minimal information about this at the time, he would have been led to believe call handlers were hanging up on him repeatedly.

Mr S should have been provided with a reasonable amount of information about refund timescales and verification processes when he asked about them. This would have led to less wasted time on calls and less frustration, particularly when finding out that providing new bank details led to potential delays.

Based on the above, I agree with the Investigator that a total of £250 compensation is reasonable to reflect the impact of NS&I's errors.

### **My final decision**

My final decision is, National Savings & Investments should pay a further £75 to Mr S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 February 2025

Chris Lowe  
**Ombudsman**