

The complaint

Mr H complains about poor service provided by National Savings and Investments ('NS&I') when he had difficulties accessing his account online and subsequently when he wanted to withdraw his money.

What happened

In January 2024, Mr H contacted NS&I with a view to investing further money in his premium bonds.

During February 2024, NS&I sent Mr H a registration form which he completed and returned. NS&I then sent Mr H a form requiring his witnessed signature. NS&I sent Mr H a temporary password. NS&I said this enabled Mr H to log into his online account successfully and he could have transacted on his account at this point. Mr H said he couldn't get this to work.

In March 2024, Mr H phoned NS&I about the issues he was having with the password. NS&I had suspended Mr H's password access as it said an external identity check was completed with Mr H which he failed. NS&I posted a 'forgotten security details' form to Mr H for him to complete. During the call, NS&I told him his request couldn't be done over the phone and a new registration form would need to be sent again.

Frustrated with the issues he was experiencing, Mr H told NS&I he wanted instead to withdraw the five-figure sum he already had invested. NS&I sent him a 'cash-in' form which Mr H completed and returned. NS&I wrote to Mr H saying that there was an error on the form – he had omitted to include his bank sort code - and Mr H needed to complete a further cash-in form – which he did.

NS&I told us the bank details provided on the second cash-in form failed an internal security check which resulted in a third cash-in form being sent to Mr H.

On 19 April, Mr H phoned NS&I to complain about what was happening.

NS&I wrote to Mr H confirming that it had received Mr H's completed cash-in form on 12 April 2024, but 'due to an admin error' the form wasn't processed correctly and wasn't actioned. NS&I apologised and said details had been sent to the repayment team to action the request and he would be contacted separately about payment. By way of apology for the inconvenience he'd been caused, NS&I paid Mr H £50 compensation.

On 23 May 2024, NS&I recorded internally that the bank details Mr H had provided related to a third-party, and so couldn't be used to return Mr H's money and it was awaiting updated bank details.

Mr H called NS&I again in early June 2024 as he was still waiting for his cash-in request to be processed. And dissatisfied with NS&I's service, he brought his complaint to this service.

Our investigator thought that NS&I needed to do more to put things right. In summary, she said NS&I had confused things by not making clear whether Mr H still needed to complete

and return the cash-in form. During a phone call on 21 May, NS&I took Mr H's bank details over the phone (these were the same as the details he'd provided on the form NS&I had received on 12 April – but not actioned) – and also sent him a fourth cash-in form at the same time. She said NS&I had admitted that poor service was provided when nobody explained the issue with third-party bank details to Mr H and that after the call on 21 May 2024, things had been at a standstill. NS&I agreed the complaints handler didn't process the compensation award promised, even after Mr H chased this. NS&I said it couldn't say when the payment would've been made so it couldn't calculate any loss of interest. But given it had made errors, it would increase the compensation award to £150, to include any loss of interest.

Our investigator recommended a payment of £400 compensation to Mr H as she felt this was fair and reasonable in Mr H's particular circumstances.

NS&I disagreed with our investigator, mainly saying:

- the bank details Mr H provided did not pass its security checks and so a further repayment request was required and a letter was sent to Mr H on 15 April advising this and explained to him on his call to NS&I's helpline on 19 April. So he was twice made aware another form was required.
- NS&I's letter sent on 24 April said that the form received on 12 April would be passed to the repayments team to action and '...they will be in touch separately' – not that payment would be made. And NS&I had written on 15 April setting out what Mr H needed to do. NS&I says this was the third time it had told Mr H what needed to happen to move things forward.
- NS&I said it still needed to hear from Mr H in order to progress the cash-in request.

The complaint has come to me for a decision.

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.

This includes listening to the call recordings provided.

Having thought about everything I've seen and been told, I've independently reached the same overall conclusions as our investigator. I'll explain why I say this.

Some of the background facts are unclear – NS&I has said for instance that Mr H would have been able to transact on his account when it provided him with a temporary password and he was able to log in twice. It hasn't however provided any further information about this – and Mr H says he wasn't able to use the temporary password. My role is to weigh the evidence and decide on the balance of probabilities what's most likely to have happened. I think it's unlikely that Mr H would've phoned NS&I about the issues he was having with his password if he'd been able to do what he wanted himself online. And if NS&I thought he'd already logged in to his account successfully, using his existing credentials and the temporary password it supplied, it's hard to see how NS&I's decision to then suspend his password access helped in this situation.

I've taken into account that Mr H mistakenly omitted the bank sort code from the first cash-in form NS&I sent him – but he corrected this omission so that by 12 April 2024, NS&I had the information it needed to process his cash-in request. And although Mr H didn't complete and

return the cash-in forms NS&I has continued to send him, I can understand why Mr H wasn't aware he needed to.

On the other hand, NS&I admitted that poor service was provided when it failed to explain to Mr H why it was concerned about the banking details he'd provided and Mr H's cash-in request stalled after the call on 21 May 2024. Its complaints handler didn't process the compensation award NS&I had told Mr H to expect within 3 -5 days – and didn't rectify this when Mr H phoned about it. Mr H's cash-in request is taking much longer than it's reasonable to expect it should take as a result. And as far as I am aware, NS&I has put his request on hold pending receipt of further bank details – despite Mr H and our investigator having confirmed that the information provided on 12 April 2024 should satisfy NS&I's payment requirements.

NS&I has accepted that it made some errors in the way it dealt with Mr H's instructions and I think it's completely understandable that Mr H's contact with NS&I left him confused and frustrated. He was provided with contradictory information about what he needed to do, not told about the third-party issue NS&I had identified with the bank account details he'd provided, and I don't think NS&I was as helpful as it could have been when speaking to Mr H on the phone.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Mr H in the position he'd be in if NS&I hadn't been responsible for the poor service issues identified. So my starting point is to think about the impact on Mr H of what happened.

As far as I can see, NS&I had the necessary information to carry out Mr H's cash-in request on 12 April 2024. I appreciate its internal checks suggested otherwise – but whilst NS&I has said it can't pay Mr H's money to a third party, it's unclear to me why NS&I says it can't pay Mr H's using the account information he's provided. This is a personal account which Mr H operates as a joint account holder, with one other person who is a member of his household, and the account details are the same as those Mr H provided to NS&I on 12 April 2024. Both Mr H and our investigator confirmed this. I've seen information that satisfies me that the banking information provided to NS&I was correct.

We asked NS&I to elaborate on its concerns and it hasn't responded so I've been given no reason to think other than that it's fair and reasonable here for NS&I to pay the amount owing to the account Mr H wants it to – so NS&I should do that.

Fair compensation needs to incorporate an amount to broadly reflect the financial impact on Mr H of not having access to his money from 12 April onwards and the wider impact on Mr H of NS&I's service failings. Bearing in mind that Mr H has been repeatedly let down by NS&I as described above and admitted by NS&I, overall, I think £400 compensation in total is fair and reasonable in all the circumstances. It reflects the distress and inconvenience Mr H was caused in addition to the fact he's been kept waiting for his money. I am satisfied that £400 matches the level of overall award I would make in these circumstances had it not already been proposed. It is in line with the amount this service would award in similar cases, and it is fair compensation for Mr H in his particular situation.

I have set out below the steps I require NS&I to take.

Putting things right

NS&I should action Mr H's cash-in request in line with the instructions and information provided on 12 April 2024.

NS&I should pay Mr H £400 compensation to reflect the financial impact and detriment caused to Mr H as a result of its admitted poor service.

If NS&I has already paid any part of the compensation award it offered to pay, then this can be offset against my award so that Mr H receives £400 compensation in total.

My final decision

My final decision is that I uphold this complaint and direct National Savings and Investments to take the steps set out to put things right for Mr H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 October 2024.

Susan Webb
Ombudsman