DRN-4979332

The complaint

Mr R complains that National Savings & Investments (NS&I) reinvested the funds in his Guaranteed Growth Bond without his instructions.

What happened

The background to this complaint and my initial conclusions were set out in my provisional jurisdiction decision dated 30 September 2024 – a copy of which is set out here. In my provisional decision I explained why I didn't intend to uphold Mr R's complaint and why I thought the £75 compensation Halifax had already offered to resolve his complaint was fair. I said:

"What happened

On 10 March 2023 Mr R invested £50000 in a Guaranteed Growth Bond (GGB) with NS&I. The terms of the GGB required the funds to be invested for 12 months. Mr R was happy to lock away his funds for 12 months but intended to use the money once the GGB had matured to finance the purchase of a new car.

NS&I said it notified Mr R by post on 9 February 2024 that his GGB was due to mature. It explained the options available and asked him to confirm his instructions by no later than 3 pm on 7 March 2024. It also sent a secure message and email on this date via Mr R's online account with similar information.

NS&I didn't receive any instructions from Mr R, So, it emailed him on 23 February 2024 reminding him that his GGB was due to mature shortly and that it needed to know how what he wanted to do with the funds.

No response was received from Mr R. So, when the GGB matured, NS&I reinvested Mr R's funds in another 12-month GGB. NS&I said it sent Mr R a maturity statement on 11 March confirming this had happened and advising that he had a 30-day cooling off period within which he could withdraw his money. This was sent via a secure message.

At the start of May 2024, Mr R ordered a new car. He subsequently logged into his online account with NS&I to withdraw the funds he'd invested the previous year and discovered they'd been reinvested. On 16 May 2024 he contacted NS&I's helpline to find out why his funds had been reinvested. However, the call disconnected.

Mr R was unhappy that NS&I had reinvested his money without his instructions and complained. He told NS&I that he needed the funds to settle an invoice for his new car. As this needed to be paid by early July 2024, Mr R said he'd have to cash in other long-term investments which would incur a significant cost to him. He was also unhappy that when contacting NS&I's helpline to discuss what had happened the call had disconnected.

NS&I wrote to Mr R with its final response on 24 May 2024. It didn't uphold Mr R's complaint about its decision to reinvest his funds. It said it had written to him to request his instructions and had explained that the investment would automatically renew in the absence of

instructions from him. So, he was informed the money would be tied up for a further 12-month period if he didn't respond. However, NS&I provided Mr R with a form to complete and return to request the cancellation of his GGB, which it said its specialist team would review and approve in exceptional circumstances.

NS&I apologised for the telephone call on 16 May 2024 disconnecting. It explained that it couldn't ascertain why this had happened. So, it upheld this part of his complaint and paid Mr R £75 compensation for the trouble and upset this would have caused. Mr R was dissatisfied with how NS&I had dealt with his complaint. So, he referred it to our service for an independent review.

Our investigator looked into what happened and empathised with Mr R. But they didn't recommend upholding his complaint. They weren't persuaded that NS&I had made an error in reinvesting his funds. And they didn't think it needed to take any further action. But Mr R disagreed with our investigator's view and asked for his compliant to be referred to an ombudsman for a final decision.

What I've provisionally 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.

I'd like to thank Mr R for his detailed submissions about this complaint. I want to assure him that I've read and considered everything that both he and NS&I have sent when reaching my decision. I haven't referred to all the points Mr R has raised as I've focused on what I feel are the key issues of the case. I hope Mr R won't take that as a discourtesy, my approach reflects the informal nature of our service.

Where the information and evidence is incomplete and inconclusive, as it is here, I have to reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

I'm conscious that our investigator's view didn't comment on the compensation Mr R was paid in relation to the part of his complaint that was upheld. For this reason alone, I'm drafting a provision decision to explain why I think the compensation NS&I paid to Mr R due to the poor service he received when he contacted it by telephone is fair and reasonable. This offers Mr R and NS&I the opportunity to provide any representations they wish me to consider before a final decision is issued.

I'm sorry to hear about the difficulties Mr R experienced here. I'm sure he's suffered upset and inconvenience as a result of what happened and for that I'm sorry. But my role is to assess whether I think NS&I made a mistake, or treated Mr R unfairly, such that it needs to now put things right.

Mr R has referred our investigator to what happened with his father's bond when it matured. He said on maturing, NS&I transferred those funds to an instant access account that his father was able to withdraw from. I can understand the point Mr R is making here. He's suggesting NS&I ought to have taken the same approach when his GGB matured. But this service considers complaints on an individual basis. So, I can't comment on, or compare what happened in his father's case.

The terms and conditions that apply to Mr R's GGB require NS&I to contact him at least 30 days before his bond matures. Here the GGB matured on 10 March 2024 and I've seen evidence to show that NS&I initially wrote to Mr R on 9 February 2024. This was 30 days prior to the GGB maturing. So, I'm persuaded Mr R was properly notified that his bond was

due to mature.

Under the "what happens at maturity" section of the GGB customer agreement, the terms outline the options a customer has available to them when their GGB matures. They say:

"Your options will normally be to:
• reinvest your money in a new Bond of the same term (which will normally happen automatically if you don't give us different instructions)
• reinvest your money in a new Bond of a different term
• cash in your Bond to get your money back, together with interest."

I'm satisfied that the information presented clearly informed Mr R that his instructions would be required prior to the GGB maturing and that, in the absence of contact from him, NS&I would be permitted under the terms of the GGB agreement to reinvest his funds in a new 12-month GGB. From the language used, I think it's clear this would happen automatically if instructions weren't received from Mr R that this wasn't what he wanted.

I've carefully considered the correspondence NS&I sent to Mr R on 9 February 2024. This letter informs Mr R that his instructions are required by no later than 3 pm on 7 March 2024. This deadline is referred to twice in emboldened text in the letter. So, I'm persuaded the deadline is appropriately drawn to the reader's attention.

The letter goes on to say:

"On its maturity date your Guaranteed Growth Bond will automatically start a new 1-year term at the new rate of 4.15% gross/AER, unless you choose one of the other options."

I'm satisfied that the correspondence is clear that if Mr R doesn't contact NS&I to confirm that he wants to either reinvest his money in a new bond of a different term or transfer his funds out of NS&I they'll automatically be reinvested in a new 12-month GGB.

As I set out in the background to this complaint, NS&I sent a reminder email to Mr R on 23 February 2024. I've seen a copy of this email. It reminds Mr R that his GGB is due to expire on 10 March 2024 and that his instructions about what he'd like to happen to the funds are required.

Mr R has told our service he didn't receive NS&I's correspondence of 9 February 2024 and I'm not disputing what he says here. But the letter I've seen is correctly addressed to Mr R and, based on the evidence I've seen, I'm persuaded that it's more likely than not, that the letter was sent to him. It may be that he didn't receive this, perhaps due to the issues with the post where he lives. But that's not something that's it's fair to hold NS&I responsible for.

I've seen evidence that NS&I sent a secure message and a copy of its correspondence dated 9 February 2024 to Mr R's online account. I appreciate that Mr R says he didn't log on. But his account was set up to receive documents electronically. So, I can't find that NS&I made an error in communicating with him online. As I've explained already, this means of communication was in addition to the letter it posted to Mr R on the same date.

Email was another method of communication used by NS&I to alert Mr R that his bond was due to expire. I say this because it emailed him on 23 February 2024 reminding him that his GGB was due to mature shortly and explaining that it needed to know how what he wanted to do with the funds. I've seen evidence showing the email was sent to Mr R. But he's said he didn't see it. He's indicated to our investigator that this may because the email may have gone into his junk mail folder, which is automatically emptied periodically. However, an email being automatically deleted from a junk mail folder isn't something I can fairly hold NS&I

responsible for.

On 11 March 2024, NS&I sent Mr R a maturity statement, which I've seen. This was sent as a secure message and document confirmed to Mr R that NS&I had renewed his GGB and it offered him a 30 day cooling off period within which he could withdraw his money. Mr R says he didn't see this message because he didn't log on to his online account. But that isn't NS&I's fault and I'm satisfied it appropriately notified him that it had reinvested his money and that there was still an opportunity to withdraw his funds.

I'm satisfied, in the overall circumstances, that NS&I used a variety of communication methods to inform Mr R that his GGB was due to mature and that, in the absence of his instructions, it intended to reinvest his funds for a further 12-month period. It follows that I'm not upholding this part of his complaint.

In efforts to resolve this complaint, NS&I provided Mr R with a form to complete and return to request the cancellation of his GGB, which it said its specialist team would review and approve in exceptional circumstances. I understand that Mr R didn't complete the cancellation form he received. He said he felt that completing that form was "pointless" given the indication that exceptional circumstances would be required before closure of the account would be arranged.

I can appreciate that Mr R may have felt there was uncertainty surrounding what may amount to exceptional circumstances. But, as each case is decided on a discretionary and merits-based approach, I can't find that NS&I made an error in not providing specific information about what may amount to exceptional circumstances. Impartially, as a GGB is a fixed-term investment where the invested funds must be held for the full term, I'm satisfied it was reasonable and fair for NS&I to offer to review a cancellation request – particularly when it hadn't made an error in investing the funds for a further term.

As I explained in the background to this complaint, NS&I accepted the service Mr R received when he contacted its helpline in May 2024 fell short of the standard it strives to deliver. It paid Mr R £75 in compensation to resolve this part of his complaint.

It's my role to decide what's fair and reasonable in the individual circumstances of a dispute. I recognise that it must have been very frustrating and upsetting for the call to be disconnected in circumstances when Mr R had wanted to find out why his funds had been reinvested without his instructions. However, I'm satisfied that the compensation NS&I paid is a fair and reasonable outcome to this complaint. It's in line with awards made by this service in comparable circumstances. I haven't seen enough evidence to persuade me that a higher award is warranted here. And, while Mr R may disagree with me, I'm satisfied this fairly recognises the impact of what happened.

I appreciate that Mr R feels very strongly about the issues raised in this complaint and I've carefully considered everything he's said. But I think NS&I has done all it can to resolve this dispute. So, I'm not minded to ask it to do anymore here."

In my provisional decision I invited both parties to respond with any additional information they wanted me to consider before I made my final decision, which is our service's last word on the matter.

Halifax didn't confirm whether it had accepted my provisional decision. However, Mr R responded in detail. He thanked out service for the comprehensive response my investigator and I had provided to his complaint. But the said he felt we'd both missed the substance of his complaint and offered further clarification.

He stated that the GGB had been *"clearly marketed as a one year bond"* and that NS&I hadn't made it clear that funds could roll over automatically into the second year.

Mr R also stated that he felt NS&I hadn't made it clear that it would contact him 30 days prior to the GGB maturing. He thought this was hidden away in the terms and conditions. And he said there was no definition within the terms of how what might happen *"normally"* at maturity of the GGB. He reiterated that his father's bond had been treated differently at maturity, which he said had indicated a lack of consistency and undermined what NS&I say would be *"normal".*

Mr R accepted that NS&I had attempted to contact him 30 days before his GGB matured because he could see the secure messages it had sent when logging in to the online portal. However, he said he hadn't opened that message and this was something NS&I would have been aware of.

Mr R argued that the only method NS&I used to communicate with him was by electronic means. He disputed it had sent him a hard copy of his maturity instructions by post. And he stated that neither he, his wife nor father had received posted correspondence about this in relation to the bonds they held. He asked our service to share a copy of the letter NS&I had sent with him.

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.

I've mentioned that Mr R feels my investigator and I have missed the substance of his complaint. But I don't agree. I say this because I'd already referred to all the points Mr R made in response to my provisional decision. And I'd explained within that decision why I'd reached the provisional findings I had on those issues.

Mr R has, again, referred to what happened to his father's bond when it matured. He's also mentioned how his wife's bond with NS&I had been dealt with when it matured. But, as I explained in my provisional decision, we consider complaints on an individual basis. And this means I can't compare, or comment on, what happened with the bonds held by other members of Mr R's family.

I've carefully considered Mr R's submissions that the GGB had been *"clearly marketed as a one year bond"* and that NS&I had never marketed it as a bond where funds could roll over automatically into the second year. But I remain persuaded that what happens at maturity is made clear in the terms and conditions that apply to the GGB. I say this because this information is contained in the section titled *"what happens at maturity"*, which can be found on page 5. It isn't hidden away as Mr R suggests.

I acknowledge that Mr R may not have read the terms and conditions closely, which isn't unusual. But the terms would have been shared with him at the time he opened his account. So, I'm satisfied he was made aware of what would likely happen when the GGB matured and this means he ought to have been aware that, in the absence of his maturity instructions from him, his funds would likely be reinvested by NS&I.

Mr R has argued that there is no definition of the term *"normally"* within the terms and conditions. But I'm not persuaded that's necessary because the terms clearly indicate the options a customer has available to them when their GGB matures. I don't think any further clarification is required.

Mr R has accepted that NS&I contacted him via its secure online portal in line with the account terms prior to his GGB bond maturing. I acknowledge that he says he didn't open the messages he received from NS&I. But it isn't responsible for that. And I can't say it had a duty to check whether he'd read the messages it sent him, which is what he seems to suggest in his response to my provisional decision.

Mr R disputes that NS&I sent a hard copy of correspondence to him. But I've seen a letter that it says it posted to him. And I'd invite NS&I to provide a copy of that correspondence to Mr R to assist him. I should say though that, even if NS&I hadn't posted correspondence to Mr R, I'd still have found that it had taken appropriate action to notify him about his bond maturing in sending messages via the online portal.

I'm sorry to disappoint Mr R. But I see no reason to depart from the conclusions set out in my provisional decision. I still don't think Mr R's complaint should be upheld and I remain persuaded that the £75 Halifax paid to resolve this complaint is fair and reasonable.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 November 2024.

Julie Mitchell
Ombudsman