

The complaint

Mr P complains that National Savings and Investments ('NS&I') provided him with poor customer service when he needed to re-set a forgotten password.

What happened

The following brief timeline of key events sets out the background to Mr P's complaint.

2 February 2024 – Mr P logged into his NS&I account online, intending to make a withdrawal from his Premium Bonds. He wanted the money to pay a lump sum towards his mortgage and so reduce the capital amount and the overall amount of interest payable. He wasn't however able to pass online security to make the withdrawal on the first attempt. The second time he tried, he clicked the 'Forgotten answers – reset password' button to obtain a new temporary password through the post. This triggered NS&I's system to order a new password for Mr P's account and cancel his existing password access.

5 February 2024 – NS&I sent the new temporary password to Mr P in the post.

6 February 2024 – Mr P attempted unsuccessfully to access his account online.

7 February 2024 – Mr P contacted the NS&I helpline and spoke to a call handler who advised him that the password was on the way and should arrive within the next five or six days. Mr P explained that he needed to make a withdrawal as soon as possible for a mortgage payment. The call handler explained the possibility of making a withdrawal through the website that wouldn't require Mr P to log in to his account but could take up to eight days. He also drew Mr P's attention to the option of applying for an 'exceptional payment' so Mr P wouldn't have to wait for the new password to arrive through the post. Mr P said he wasn't prepared to pay a £10 fee to expedite payment to his bank account the same day. The call handler explained the payment could instead be sent via the 'Bankers' Automated Clearing System' (a 'BACS' transfer) at no charge and Mr P agreed to this option. The line went quiet after this and the call disconnected. The call handler went ahead and sent instructions for an exceptional BACS repayment which NS&I actioned.

Mr P called back later that day to register a complaint. He was unhappy about the process NS&I operated for resetting his password and the way it dealt with the exceptional payment request without confirming to him that it had been actioned. He felt he'd received poor service over the phone and expressed concern at how long he'd spent on the phone dealing with the matter. He was concerned about the cost he was accruing unnecessarily, due to the delay in the release of his NS&I funds.

9 February 2024 – the funds transferred by NS&I arrived in Mr P's bank account.

13 February 2024 – NS&I didn't uphold Mr P's complaint. It said that Mr P hadn't incurred any charges calling its helpline and confirmed a temporary password had been sent, but NS&I did offer to reimburse any penalties Mr P had incurred as a result of delay in withdrawing his money.

Mr P didn't feel this addressed his complaint adequately and he asked us to investigate.

Our investigator thought NS&I had responded fairly and reasonably to Mr P. She mainly said that he'd been unable to make the withdrawal because he forgot his password – which wasn't NS&I's fault. This had prompted Mr P to use NS&I's forgotten password process – which was outside our remit to look into. She thought the balance of the evidence showed that Mr P would've been able to see a notice onscreen making him aware that his current password would stop working and that he wouldn't be able to access the online portal or phone service until he got his new password – which she said was standard industry practice for security reasons. She also felt that NS&I had been right to continue with the BACS payment after the call dropped, given Mr P's clearly expressed wish to transfer funds as quickly as possible. So our investigator didn't uphold the complaint and said she wouldn't be asking NS&I to do anything more. She mentioned however that NS&I's previous offer to cover any charges incurred as a result of a late repayment to his mortgage was still open to Mr P.

Mr P didn't agree with the investigator's view and asked for an ombudsman to review his complaint. In brief summary, he mainly said:

- he was unhappy with the way NS&I had handled his issue and complaint. He put things this way: '...NS&I have gaslighted me and shrugged me off at every turn. A simple review of the phone records of all of the relevant conversations proves this – poor note keeping, inconsistent application of process (one person supposedly needing approval to provide information, and then another person just giving it to me), people hanging up on me, and agents feigning offence at the smallest of things... NS&I have been patronising, condescending and unprofessional throughout...'
- He rejected the suggestion that NS&I had included the screenshot warning him that his old password would be cancelled if he requested a new one. He said it was 'completely fanciful' to assert that he (or anyone) would have gone ahead with a password reset had this warning been present, given the time pressures.
- He said it was common sense that there was a cost for every day there was delay paying down a mortgage and he wanted to be reimbursed by NS&I for losses he holds NS&I accountable for.

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 carried out an independent review, which includes listening to the call recordings provided. Having done so, I've reached the same conclusion as our investigator. I'll explain my approach and how I've reached my decision.

My findings are made on a balance of probabilities, in other words, what is more likely than not, based on the evidence provided by the parties. This means, to uphold this complaint there would have to be persuasive evidence that made it more likely than not that NS&I had done something wrong or acted unfairly or unreasonably.

I must take into account the relevant law, regulatory requirements and best industry practice when making my decision.

As I understand Mr P's complaint, he's mainly concerned that NS&I is responsible for delaying him being able to pay a lump sum towards his mortgage and that there's a cost associated with this which he believes NS&I should reimburse. He's also very unhappy about the way NS&I dealt with him over the phone in connection with this matter and he's mentioned that he never provided formal confirmation to NS&I to make the BACS payment. I'll deal with each of these issues in turn.

Complaint handling

Part of Mr P's complaint concerns the way NS&I managed its complaint process. The industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. We can however consider the customer service Mr P received and that's the focus of my decision.

Password issue

Mr P told one of the call handlers that he was unable to pay down his mortgage because NS&I had issued the temporary password without any warning.

Mr P doesn't dispute that he requested a new password. So I don't need to say more about this, except to mention that how businesses choose to operate and their internal processes are outside our remit – as regulator, the FCA has oversight of NS&I's password reset process. But Mr P is entitled to be treated in a fair and reasonable way by NS&I and given enough information to make the choices that he feels are right for him.

Mr P is certain about what he's told us about what he saw, or didn't see, when he requested a new password. But I must also take into account that NS&I has provided information that shows he couldn't have requested a new password without clicking the confirm button on a screen that currently includes the following warning:

'Forgotten answers – reset password

To reset your security questions, click 'Confirm' below and we'll post a temporary password to the address we hold on record. When you receive this, you'll need to log in and choose new security questions.

This means that your current password will stop working and you won't be able to access our online or phone service until you receive the temporary password.

To keep your current password active, click 'Cancel'.

The screen showed two options:

'< Cancel' to go back (and so keep the current password)
'Confirm' to proceed and request a new password.

NS&I has confirmed that there has been no process change and this would have been the same information Mr P would've been able to see.

NS&I's records show Mr P selected the option 'Confirm' (which isn't disputed by Mr P) and this triggered the new password request and had the effect of ruling out the option of Mr P any longer being able to use the existing password.

On balance, I'm persuaded that Mr P wouldn't have been able to request a new password online other than via this screen which, more likely than not, would have included the information set out above. So I don't agree that NS&I acted unfairly or unreasonably when it issued him a new temporary password and cancelled his old one. I consider that NS&I took reasonable steps to give Mr P advance notice this would happen if he requested a new password.

I don't think there was any detriment to Mr P proceeding this way when he'd already forgotten some of his security credentials and was unable to use his existing password. I'd expect NS&I to cancel a redundant password in this situation and I don't consider it did anything wrong here. I am satisfied that NS&I sent the new password to Mr P within a reasonable timescale and wasn't responsible for any delay in getting the new password issued.

BACS transfer

From listening to the calls provided, I am satisfied that Mr P made clear to NS&I that his priority was to be able to pay a lump sum to his mortgage as soon as possible. When the password issue meant he had to wait for new security details to arrive in the post, NS&I offered to complete the transfer he wasn't able to do himself whilst he was waiting for his new password. I think that was a proactive approach on the part of NS&I – and it acted fairly and reasonably when making Mr P aware of options he had available in this situation.

I can understand why Mr P might not have wanted to incur a cost to enable the transfer to complete the same day when this was a transaction he didn't expect to have to pay for. The call handler explained a BACS transfer (at no cost) could take a couple of days and asked if that was 'OK' and Mr P confirmed 'Yeah' – before saying again that he didn't want to pay a fee.

Mr P didn't call back to countermand his instruction when the call dropped and he hadn't said anything to cause NS&I to think he wouldn't want to go ahead with the BACS transfer as discussed. There had been call quality issues throughout and Mr P had already made clear his priority was to move his money from NS&I to his bank account. NS&I's prompt action limited any further delay. The actions of the call handler who requested the repayment put Mr P in a position to pay down his mortgage without having to wait for the new password to arrive. So when the call disconnected I think it was reasonable for NS&I to proceed to make the transfer by BACS.

Mr P was concerned that he didn't find out that the BACS transfer had been actioned until he phoned NS&I again a few hours later. I've thought carefully about this, because Mr P was entitled to expect to be informed that his money had been moved. And one of the call handlers told Mr P that normally NS&I would tell the customer that an exceptional payment had been made.

But I think what might've happened here is that Mr P's call may simply have pre-empted NS&I contacting him with this information. In any event, I'm mindful that NS&I actioned the BACS transfer very quickly – not only considering and agreeing it but processing it within hours of the call handler putting through the request. Overall, whilst I can understand Mr P's surprise at learning that the BACS payment had completed, I don't consider he has suffered any detriment overall. It was what he'd asked for and NS&I's prompt action ensured that Mr P would be able to access funds to pay down his mortgage with a minimum of further delay, bearing in mind he didn't want to pay a CHAPS fee to speed up the process. Mr P found out this had happened within a couple of hours, which I think would have been a reasonable timescale for NS&I to send notification in any event.

Poor service by NS&I's call handlers

Mr P complained that agents cut him off during calls and describes their attitudes as '...condescending, patronising, argumentative and petulant.' He said that one call handler who terminated a call '...was unable to deal with the robustness of the conversation'.

From listening to the call recordings provided, it's clear that one call (when making the BACS payment was talked about) dropped unexpectedly. But Mr P didn't choose to call straight back and nothing he'd said would have given NS&I any impression that he might want to change his instructions or that any further clarification was needed. Call quality had been poor throughout (and on another call, Mr P went outside for improved reception so I don't think that was NS&I's fault.) For the reasons I've explained more fully above, I think it was reasonable for NS&I to proceed to carry out Mr P's clear instructions without further delay – and there was no particular reason to call him back in these circumstances, especially if this risked further delay.

Another call was terminated by NS&I. Mr P has said 'I didn't realise it was against the law to interrupt.' But fair warning was given (more than once) by the call handler that he would end the call and it's clear to me that the call had reached the stage where it had become unproductive. As NS&I had told Mr P everything he reasonably needed to know, I don't consider it acted unfairly or unreasonably.

Overall, I consider that NS&I provided a reasonable level of service in the circumstances, dealing professionally with Mr P even when, at times, he was speaking over the call handlers or the line quality was very poor, making effective two-way communication difficult.

To sum up, this issue began when Mr P forgot his security credentials and he activated NS&I's reset password process – which was correctly implemented by NS&I. When he first made contact, to avoid the delay that Mr P was concerned about, NS&I proposed an exceptional repayment. This was then actioned by NS&I (after Mr P had consented), so his plan to pay his mortgage down wasn't held up by having to wait for the new password. This was everything I would reasonably expect NS&I to have done in these circumstances.

The ombudsman approach is to also take into account what Mr P could have done differently to mitigate any loss. Mr P could have accessed his money more quickly:

- if he'd contacted NS&I sooner (he didn't speak to a call handler about the problems he'd had accessing his online account until the following week) and/or
- the exceptional payment had been done using the Clearing House Automated Payment System ('CHAPS'). I don't consider there was any onus on NS&I to offer to cover this cost in these circumstances as I don't find it had made any error or acted unfairly or unreasonably.

So I can't uphold Mr P's main complaint that NS&I is responsible for him not being able to pay down his mortgage sooner. And I am satisfied that NS&I provided a reasonable level of service in connection with this matter generally. This means I have no power to award compensation to Mr P or tell NS&I to take any further action.

NS&I offered to reimburse Mr P if he provides evidence to show he incurred any penalty fees for late payment but that would be a separate matter between the parties.

I sympathise with Mr P. It's clear from listening to the calls that he found this matter extremely frustrating and I'm sorry that this was his experience on this occasion. It's completely understandable that he was upset to discover that his plans to move his money were held up when he was unable to access his online account – but I've explained why I don't agree this was due to NS&I acting unfairly or unreasonably. If I have not referred to each point he's raised it's because I have concentrated on what I consider to be the main points that affect the outcome of his complaint. I hope that setting things out as I've done helps to explain how I've reached my conclusions.

My final decision

For the reasons given, 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 P to accept or reject my decision before 18 November 2024.

Susan Webb
Ombudsman