

The complaint

Mr C complains National Savings and Investments ("NS&I") haven't paid him for some investment certificates he sent in and it won't now return them to him.

What happened

In 2023 Mr C found savings certificates taken out by his late mother for him decades ago when he was a minor. He was uncertain as to their current value and contacted NS&I and says he was advised to send them in. Mr C received a letter dated 13 August 2023 to say the account numbers no longer existed so he called NS&I. He says he was told then the books were in safe hands and would be returned. He called again on 30 August 2023 was told the same and made a complaint. He then received confirmation NS&I were investigating and then a stand-alone cheque for £30, with no explanation as to what it was for, arrived. Mr C then a letter dated 8 September 2023, referring to the certificates he'd sent as Premium Bonds and advising they had been destroyed upon receipt as they had no monetary value. So, the original certificates couldn't be returned to him. He complained but NS&I didn't uphold this as it said it had followed the correct process in destroying the original documents. It also explained to Mr C the £30 it had sent was a gesture of goodwill for the inconvenience.

Mr C complained to this service. Our investigator found NS&I could have handled things better. Although she understood NS&I's process of no longer returning certificate books - to avoid issues in the future with other family members sending them in again - she thought it wasn't fair that Mr C wasn't informed of this. She thought the fact NS&I had no record of any unpaid holdings covered under this holding number or no record of its conversion - on computerisation - for the holder numbers suggested there was no money left in the account. She thought the books had great sentimental value to Mr C as they contained his late mother's handwriting and it was evident that this had impacted him. So, she thought the compensation should be increased from £30 to £250.

Both Mr C and NS&I disagreed with the view. NS&I said it had followed its process and explained why it didn't return original certificates. NS&I said it had never admitted in any of its communications with us that it had made an error by not returning the books and there were only two calls recorded both of which were made after the certificates were sent in. It thought the award of £250 was excessive and in any event the amounts it had awarded Mr C were paid as goodwill - not because it had done anything wrong.

Although Mr C said he was happy with the increased compensation for the destruction of the original savings certificates/book he remained unsatisfied with the outcome suggesting the funds in these holdings had previously been withdrawn. He thought they were still there and should be paid out to him. He sent a further response after taking some time to consider matters with the CAB and his MP. In that he sent us photos' he'd taken of all the 27 certificates and set out the history of their purchase so far as it was known to him. He said the certificates had been purchased between 1957 and 1964 and his mother had passed away unexpectedly later that year. He found the books hidden a number of years later and maintained they were valid and - as per the printed regulations on them - his property, so NS&I had no right to destroy them, especially since it also had his covering letter submitting

them specifically asking for the books to be returned for sentimental value. Mr C thought NS&I must keep a record of any certificate issued, however long ago the investment was made, and could therefore identify and confirm each of the certificates by checking the individual serial numbers shown and make calculations and payment to him accordingly.

The matter 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.

In cases like this, where the evidence is inconclusive, I reach my decision on the balance of probabilities. That means I'll look at all the available evidence and decide what I think is most likely to have happened.

It seems to me there are two elements to this complaint. Firstly, Mr C believes these investments are still live, have never been cashed in and would like them paid out to him. But NS&I have no record of these savings or them being paid out. The second is the destruction of the books/saving certificates by NS&I and their failure to return them to Mr C. I'll deal with each part in turn.

payment to Mr C for the savings certificates

On the information I've seen I'm satisfied that NS&I has carried out searches using the details Mr C gave them and there's no trace of any account or holding. I can't require NS&I to do more than it already has.

Neither NS&I nor Mr C are able to produce evidence to show what happened to the account and NS&I is not obliged to retain customer records indefinitely. Generally, banks and financial institutions only keep account records for up to six years. I appreciate that the certificate says they are the property for the holder, and I understand why Mr C might feel this strengthens his case both that he has not withdrawn the money and that they should be returned to him in line with his request. However, banks and building societies did not generally refuse a customer access to their money if, for instance, they had mislaid the passbook or certificates.

I'm also mindful in this case these certificates were taken out a significant number of years ago, by his late mother, when Mr C was a minor. Decades have passed since then, so it might not be easy to recall precisely what happened. In addition to the possibility that the holder or named beneficiary may have encashed these many years before, there's also the possibility they were dealt with as part of the administration his late mother's estate many years ago following her passing in 1964 or 1965 - both years are referenced in the information before me. Whichever year it was, at that point Mr C would still have been a minor and would have had no knowledge of, or dealings with her estate.

So, on balance, I consider it more likely than not that these certificates have been cashed and the funds withdrawn some time before NS&I's computerisation of the accounts. It follows that I am not persuaded that NS&I should not be required to pay Mr C the value of these certificates plus interest.

NS&I's retention and destruction of the original certificates and the request to return them to Mr C.

NS&I said after the investigators view it never admitted in any of its communications with us

that it had made an error by not returning the books. Whilst I can understand Mr C's unhappiness at not getting the originals back, like our investigator, I don't think NS&I have done anything wrong in following their procedure of not returning old books for the reasons NS&I has explained. But I do think it could've handled this better and should have explained this from the start to Mr C particularly as, on balance, I'm persuaded he asked for their return for sentimental reasons from the outset.

It's unfortunate both the investigator and I have been unable to listen to the calls. But Mr C told us he also made a request for the documents return in his original covering letter sending the certificates to NS&I. And NS&I told us in an email dated 28 November 2024 "*Mr C did specifically ask that these were returned to him for sentimental reasons and we are sorry that this did not happen. They have since been destroyed so it is impossible for us to return them.*" So, on balance, I'm satisfied that, from the original submission, NS&I were aware Mr C asked for the return of the originals.

On that basis, although I agree NS&I made no error in not returning the books, I think it should pay Mr C compensation for the failure to tell him from the outset the originals wouldn't be returned. Mr C has clearly suffered from distress and inconvenience in getting to the point where he was given this information about NS&I's policy - and the whereabouts of his original documents - despite making his position clear on their sentimental value.

NS&I think the award of £250 compensation is excessive but I disagree. Our compensation guidelines state an award between £100 and £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment, or loss of expectation. I think the award suggested by the investigator of £250 is in that range. So, I don't see any reason to alter that recommendation.

Putting things right

It's clear the books hold sentimental value for Mr C and NS&I's actions here in giving him incorrect information have caused him considerable distress and upset. I think a payment of £250 compensation by National Savings and Investments is reasonable here for the distress and inconvenience caused by the misinformation and delay in explaining their policy to him.

My final decision

My final decision is that I uphold this complaint in part. I don't uphold the part of the complaint relating to the claim for payment of the savings certificates or the policy on the original documents return. But in respect of misinformation about the return of the original certificates, I uphold this part of the complaint. National Savings and Investments should pay Mr C £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 November 2024.

Annabel O'Sullivan
Ombudsman