

## **The complaint**

Ms S is unhappy with the service she received from National Savings and Investments (“NS&I”).

## **What happened**

Ms S held Premium Bonds with NS&I and wanted to cash in £500 of those Bonds. But when Ms S tried to do so she answered the security questions on her account incorrectly, and this led NS&I to send a new account password to her in the post.

Ms S didn’t want to wait for the new password to be received by her, so she spoke with NS&I who explained that she could complete an online form to cash in the Bonds as she wanted. Ms S completed the form, including the section which invited her to provide the bank account details to where she wanted the £500 to be sent.

But NS&I then sent the £500 to a different bank account – one which Ms S had previously closed. This meant NS&I had to wait for the £500 to be returned to them before they could forward it to the correct account. Ms S wasn’t happy about this, so she raised a complaint. NS&I responded to Ms S but didn’t feel they’d done anything wrong in how they’d administered her account. Ms S wasn’t satisfied with NS&I’s response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn’t feel that NS&I had acted unfairly in how they’d managed the situation and didn’t uphold the complaint. Ms S remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

I issued a provisional decision on this complaint on 5 September 2024 as follows:

*NS&I have confirmed that Ms S chose the answers to the security questions to be asked on her account in April 2016, and as such I don’t feel that NS&I bear any responsibility or accountability for Ms S not answering those security questions correctly when she wanted to cash in some of her Premium Bonds.*

*NS&I have explained that their process when an account holder can’t answer their security questions is to send a new password to that account holder in the post. This doesn’t seem unreasonable to me, especially as Ms S was able to instruct the cash in of her Premium Bonds via an online form while the new password was being sent to her. And while it’s noted that NS&I sent the online password to Ms S a day later than would have been expected, I don’t feel that this had any material impact on what happened here – again because Ms S was able to instruct a cash in via online form.*

*However, I’m in agreement with Ms S that, having been invited to provide her nominated*

bank account details on the online form, it's reasonable to expect that NS&I would have sent the £500 to the bank account she inputted on that form. And for that reason, I'll be provisionally upholding this complaint in Ms S's favour.

NS&I point out that the section of the form in question includes the following statement:

*"If you are already registered for our online and phone service, we will automatically pay the money to your nominated bank account on our records."*

NS&I also confirm that Ms S was automatically registered for their online and phone services meaning that the £500 was sent to the bank account details they held on file – which in this instance was the account that Miss S had closed some time previously.

However, I don't feel that the fact the NS&I would revert to any bank details they already hold on file, regardless of any new bank account details provided on the form, is sufficiently clear. And I feel that it's unreasonable and illogical to provide a section on a form entitled 'Your nominated bank or building society account', and then allow a person to provide the bank account details that they want their money sent to, only to disregard that information on the basis of a clause that is located and written in such a way that I feel it's reasonable for the person completing the form to overlook it.

Indeed, I note that full paragraph which contains the above quoted sentence reads as follows:

*"Please indicate your preferred method of payment and fill in the relevant details. If you are already registered for our online and phone service, we will automatically pay the money to your nominated bank account on our records."*

I feel that the first sentence in the above quoted text sits in complete contradiction to the following sentence. And I note that in the relevant section of the form, the above is not emboldened and is located to the side of the form where it can easily be overlooked. And I feel that this is especially the case given that parts of the section which are emboldened appear to me to strongly suggest that money will be sent to the bank details which the person completing for form might input in that section of the form.

Ultimately, I feel that NS&I's form isn't clear in its explanation that any bank account details a person may input into the form will be ignored if another bank account is already held on NS&I's records. And I feel that it was entirely reasonable for Ms S to have expected NS&I to send her money to the bank account details that they invited her to provide on the form.

At the very least, I would have expected NS&I to have contacted Ms S upon the receipt of the online form, having noted that Ms S had provided bank details on that form which their process mandated that they ignore, and to have confirmed with Ms S the bank account she wanted the money sent to and to then have updated the bank account details on Ms S's records before sending the money.

Of course, it's for NS&I to decide how they structure their processes and online forms. However, it is within the remit of this service to award compensation to a complainant if they have unfairly incurred upset and inconvenience resulting from a business following their set processes. And I feel that this is what has happened in this instance.

As such, my provisional decision is that I uphold this complaint in Ms S's favour and instruct NS&I to pay £100 to Ms S as compensation for the trouble and upset that she's incurred. In arriving at this £100 compensation amount I've considered the impact of what happened on Ms S in conjunction with the general framework this service uses when assessing

*compensation amounts, details of which are on this service's website. And, having done so, I feel that £100 is a fair compensation amount.*

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Ms S responded to my provisional decision and confirmed that she was in acceptance of it. Conversely, NS&I didn't provide a response to my provisional decision.

As such, I see no reason to not issue a final decision here whereby I uphold this complaint in Ms S's favour on the basis described above. And I therefore confirm that my final decision is that I do uphold this complaint in Ms S's favour on that basis accordingly.

### **Putting things right**

NS&I must pay £100 to Ms S.

### **My final decision**

My final decision is that I uphold this complaint against National Savings and Investments on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 18 October 2024.

Paul Cooper  
**Ombudsman**