

The complaint

Mr B complains about the policy of National Savings and Investments (NS&I) in how they calculate growth for their Index-Linked Savings Certificates.

What happened

In March 2024, Mr B raised a query with NS&I as to how the growth was calculated for their Index-Linked Savings Certificates, a product that Mr B had. NS&I wrote back and clarified their calculations including how they use the Consumer Prices Index (CPI). Mr B wrote several subsequent letters questioning whether the product is truly index linked, all of which NS&I responded to.

Mr B contacted NS&I again but this time logged a complaint. In particular, Mr B was unhappy that NS&I didn't use a monthly reading of CPI, only a reading twice in each year of investment, and this meant the product was not truly index-linked.

NS&I investigated the complaint and provided a final response letter. In it, they explained their policy in detail, saying that they use the CPI figure that applies to the beginning and end of each year of investment. They went on to say that this information is explained in customer agreements and reiterated the importance and responsibility of customers reading and understanding their products before purchase.

Mr B was dissatisfied with NS&I's response and explanation and referred his complaint to our service, saying the product was misleading and had been mis-sold.

Our investigator looked into the complaint and contacted NS&I and as a result, would not be asking NS&I to do anything further. Our investigator looked through the terms of the product saying they were clear on how NS&I index link the certificates. They acknowledged that Mr B felt there are better ways to apply the index linking but NS&I were entitled to choose the method. Our investigator concluded their view by saying they were satisfied the terms were clear for that product and did not think NS&I had been unfair in choosing the method they used.

Mr B remained unhappy, saying he still felt NS&I's method for calculation was misleading, and requested an ombudsman review his complaint.

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 have looked carefully at all the information NS&I have provided to see if it has acted within its terms and conditions, followed due process, and to see if it treated Mr B fairly.

I was sorry to learn that what should have been a straightforward process to understand a financial product has turned into a prolonged complaint for Mr B. Part of my role is to determine whether what took place treated Mr B reasonably, and whether NS&I followed the process correctly.

Looking over the correspondence Mr B has sent to NS&I, and to this service, I recognise he feels strongly about this complaint, and how NS&I should incorporate CPI. Mr B is entitled to bring to the attention of NS&I, how he thinks they should use CPI, but it's for the business to decide how to do this, and NS&I is entitled to choose whichever method they wish, regardless of whether it meets Mr B's standards.

Additionally, as our investigator and NS&I have alluded to, Mr B through the terms of the product, agreed to how the product worked when he opened it and would have had ample opportunity before agreeing to it, to query this aspect and withdraw his interest accordingly.

I am sympathetic to Mr B's predicament but I have to look at any identifiable errors and within this complaint, there are none. I think NS&I has acted within its terms and conditions and treated Mr B fairly. And so I cannot require it to take any further action towards him.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 December 2024.

Chris Blamires
Ombudsman