

The complaint

Mr M complains National Savings and Investments (NS&I) took several weeks to provide him with funds from his Premium Bond (PB) account and provided poor customer service.

What happened

Mr M explained he first contacted NS&I in early May 2024 to withdraw £1,000 from his PB account. Mr M sent NS&I three forms to reactivate and get access to his PB account to make the withdrawal, which he submitted in early May. Despite this, he said the process went on for weeks and he didn't receive the funds until mid-July.

Mr M said he called NS&I several times for an update and was advised at least twice funds would be sent to him when they were not. Mr M has said NS&I haven't kept recordings of all the calls he made.

Mr M agreed to settle his complaint for £200 compensation, but on reflection felt he should have been compensated the full £1,000.

NS&I said Mr M sent it a change of details form, a forgotten security details form and a PB cash-in form in early May 2024. Despite receiving all three forms, NS&I explained it only updated his address. NS&I said the documents were scanned onto its systems together, but the adviser who dealt with the documents only processed the first document, the change of address document, not the other two. NS&I has described this as an oversight or human error.

The records show Mr M first contacted NS&I a few days after submitting these forms by phone, enquiring why he hadn't received anything.

A few weeks later Mr M contacted NS&I again explaining he had not heard anything, this was about a month after he had submitted the forms. The adviser tried to take Mr M through a knowledge based authentication because Mr M didn't have any details on him.

Mr M called back the same day with his NS&I number, explaining he was having difficulty logging into his account. The adviser successfully logged him in, and incorrectly advised him that his withdrawal had just been processed and his money would be in his account by 12 June 2024.

Mr M called again in early July to explain he had not received his money. NS&I confirmed Mr M's funds had not yet been sent, Mr M therefore registered a complaint. Mr M also said he no longer wanted the payment to go through.

An NS&I complaint investigator started to investigate Mr M's complaint and sent through an instruction to the payments team to send out the £1,000, which was processed a few days later.

NS&I upheld Mr M's complaint and spoke with him to apologise. During the call compensation was discussed, with NS&I increasing its offer to £200. Mr M accepted this sum during this call and this amount was credited to his account.

Mr M has since said he needed the money quickly due to a recent life event to pay off a debt, explaining the delays meant he had to borrow money elsewhere. He said he thought

the compensation offered wasn't fair, and should be £1,000 because this was the amount 'lost' for the period NS&I failed to send him the funds.

Our investigator recommended the complaint be upheld, highlighting the errors made. They upheld the errors highlighted above but further thought NS&I had processed the payment in error after Mr M's complaint started to be investigated. Because of this further error, our investigator recommended another £100 compensation should be paid for the distress and inconvenience this caused Mr M.

NS&I accepted our investigator's recommendation, Mr M disagreed with it, explaining he had experienced significant distress by not being able to withdraw his funds. He said the account contained all his savings and he opened it so he would have easy access to his money.

As Mr M rejected our investigator's recommendation, his complaint has been passed to me to make 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 appreciate how strongly Mr M feels about his complaint and how frustrating it must have been trying to get the funds released by NS&I.

Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

NS&I have accepted and apologised for the highlighted issues above. Having considered the evidence carefully, I agree there have been a series of customer service issues. The forms Mr M submitted were not processed correctly, leading to a delay, there is evidence NS&I informed Mr M on at least one occasion the payment would be made shortly, when it was not. Finally, evidence shows Mr M asked for the delayed payment not to be made when he made his complaint, yet it still was.

I appreciate Mr M has suggested there were other examples of poor customer service, including that NS&I told him on more than one occasion the payment would be made soon. Based on the evidence I have already seen and heard, and the lack of call recordings, I have no reason to doubt Mr M's version of events.

I appreciate the outstanding issue for me to determine, and the basis for Mr M's rejection of our investigator's recommendation, is that compensation should be higher, suggesting it should match the amount of the payment.

When determining how much compensation to award in the circumstances outlined, our service considers the following; what was the financial loss and the distress and inconvenience the issues caused.

Having read the complaint file and listened to the available calls, I haven't observed any evidence of financial loss to Mr M. To be clear, Mr M was eventually paid the £1,000 he asked for and it therefore not out of pocket and it was not 'lost'.

I appreciate Mr M has said he had to borrow money because of this delay, but our service has not been provided with the details of this. I am also aware that Mr M tried to cancel the payment in early July, suggesting the funds were not necessarily required at that time. I therefore think, on balance, there is possibly a small amount of financial loss here due to Mr M not having access to his money. However, I have balanced this against Mr M's funds were still 'invested' in PBs at the time and appear to have entered two further prize draws during the period in question.

However, our service can consider whether the impact of the delay, incorrect information and failing to carry out an instruction; caused distress and inconvenience and award for this.

I am satisfied the evidence shows NS&I were responsible for the delays in paying Mr M his funds. The nature of PBs means it can take longer to withdraw funds, than other financial investment or saving products, it is not easy access as Mr M suggested. That said, it is clear the highlighted errors caused unnecessary delays. I am also satisfied the evidence shows NS&I told Mr M being incorrect information and NS&I failing to follow his instructions.

In considering what is an appropriate award, I consider these issues were several small errors which clearly needed a reasonable amount of Mr M's effort to sort out. The impact on Mr M lasted over several weeks and clearly caused him some distress and inconvenience. As mentioned above, I think there it is possible there may have been a small financial loss due to this delay.

Having considered this carefully, I agree with our investigator's recommendation, a fair and reasonable compensation award for the impact of the loss, distress and inconvenience is £300. This is in line with what I would expect in the circumstances presented and within the general framework our services uses when assessing compensation amounts, details of which are available on our website.

I appreciate Mr M considers NS&I should pay more, but I hope I have explained our processes for awarding compensation. It is not the role of the Financial Ombudsman Service to fine financial companies.

My final decision

For the reasons outlined above, my final decision is that I uphold this complaint. If it hasn't already done so, I require NS&I to pay Mr M compensation of £300 in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 10 December 2024.

Gareth Jones
Ombudsman