

The complaint

Mr A complains, through his representative, about losing out on winnings as a result of the way National Savings and Investments ('NS&I') handled his application to buy premium bonds and NS&I's refusal to issue backdated reserved bonds, despite assurances that it would do this.

Mr A's representative holds a Power of Attorney ('POA') for Mr A and is a person entitled to bring this complaint on Mr A's behalf. In my decision, I'll refer to Mr A's representative as 'Mr A1'.

What happened

In July 2024, acting on behalf of Mr A, Mr A1 completed an application form to buy premium bonds. NS&I returned this initial application and the supporting paperwork Mr A1 had supplied as no cheque was attached. In August 2024, NS&I received the application back with a cheque.

Mr A1 needed to satisfy NS&I's requirements showing he had authority to act. NS&I didn't accept the copy document Mr A1 submitted for this purpose. NS&I told Mr A1 that it would need to see either the original POA document or a correctly certified photocopy. NS&I set out details of its specific requirements. When NS&I received a correctly certified POA in October 2024 the application was processed and backdated to the date in August when funds were received to buy the bonds.

NS&I admitted mishandling Mr A1's complaint about the way it had dealt with things and paid him £250 compensation (£75 initially followed later by a further payment of £175).

During the course of his complaint, NS&I had told Mr A1 that Mr A's application would be backdated to February 2024 and he'd qualify for any prizes he could've won in prize draws he could've entered. Mr A1 reasonably expected this would produce some winnings. When he learned that Mr A wasn't due any money, he thought this was because NS&I's internal system must not work correctly.

Mr A1 complained to us. NS&I offered a further £50 payment.

Our investigator felt NS&I had done enough to put things right after admitting mishandling Mr A1's complaint. And he said that whilst NS&I had misinformed Mr A1 about backdating Mr A's entry into monthly draws, that had been a mistake. But this didn't adversely impact on Mr A because he'd been correctly entered into the monthly draws starting in October 2024 – which was the first date he was eligible to join the draw. He concluded that Mr A was in the same position he would've been even if everything had gone smoothly. And he explained why we can't award compensation to Mr A1 in his capacity as Mr A's representative.

Mr A1 didn't agree. He put things this way: *'...What I cannot accept is that I was told multiple times during the complaint ... that numbers were set aside in cases like this so that once a complaint was dealt with the bonds would be run against the set aside numbers and any winnings paid out.'* He feels he was misled and that NS&I should be fined. He considers

NS&I's offer to pay him a further £50 is 'derogatory' and fails to reflect his time spent on the matter.

So the complaint comes to me to decide.

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.

Having done so, I'm not upholding this complaint. I'll explain my reasons.

I've approached this complaint in a way that reflects the informal complaint handling service we provide. My role is to consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides. In doing so, I may not address every single detail that's been mentioned and I've summarised what happened only briefly and often in my own words. But it doesn't mean I haven't considered the evidence and what's been said here – it just means I haven't needed to specifically refer to everything in order to reach a decision in this case.

In this matter, Mr A1 has throughout acted in his capacity as representative for Mr A. He's arranged the investment of Mr A's money in premium bonds and Mr A is the customer here.

We can only tell a business to pay compensation for trouble and upset experienced by their customer – not by a third party. We can't award compensation to an attorney bringing a complaint on someone else's behalf. Mr A gave Mr A1 authority to act on his behalf as Mr A's duly appointed attorney in relation to this matter. I've seen that our investigator explained we couldn't consider any inconvenience NS&I caused Mr A1 because he wasn't the NS&I customer raising the complaint. And our role is not to fine or punish a business for its mistakes. That's the role of the regulator, the Financial Conduct Authority.

In order to uphold this complaint, I would have to find that NS&I made an error or acted in a way that wasn't fair and reasonable and this led to Mr A suffering financial loss or some other detriment. So this is the focus of my decision.

Mr A1 initially thought he'd first applied for Mr A's premium bonds in February 2024, but it seems he was confusing this application with an application he'd previously made for someone else. The background facts are now not in dispute and I've outlined the relevant history above. So I don't need to say more about what happened.

Whilst I appreciate Mr A1's concerns, I need to decide what the impact on Mr A has been as a result of NS&I's admitted poor service. I haven't seen any information showing that what happened negatively affected Mr A.

I've taken into account that Mr A1 feels that NS&I should be required to honour assurances it made about backdating Mr A's application to February 2024. NS&I's reserved numbers scheme could've enabled Mr A to win prizes in draws he would've been eligible to enter if he'd first applied in February 2024 (and at the start, this is when Mr A1 thought he'd made this application). But NS&I has explained Mr A1 was given incorrect information by the complaint handler and Mr A wouldn't be offered reserved bonds because NS&I didn't receive his premium bond application in February 2024 – which Mr A1 now says he accepts.

NS&I processed Mr A's application for premium bonds once it had everything it required to be able to do this. This wasn't until October 2024 when NS&I received the POA in a certified form that satisfied its requirements.

I don't find that NS&I could reasonably have been expected to process Mr A's application before it had everything it needed to do this.

I can see why issues with the POA caused Mr A1 some extra work. But I don't consider NS&I's requirements are unduly onerous bearing in mind its obligations to ensure customers' interests are protected and the issues Mr A1 had with the POA didn't ultimately disadvantage Mr A.

NS&I backdated the application with effect from the date in August 2024 when it received Mr A's funds to pay for the premium bonds he was applying for – even though at that stage it was still waiting for the correctly certified POA. This meant that, in line with NS&I terms and conditions, Mr A would qualify for entry into the draw *after* the next clear calendar month – so after the end of September 2024.

Mr A was entered into the October 2024 draw – so he hasn't missed out on the chance of any premium bond prizes.

And I haven't been provided with anything to show that NS&I's actions directly caused Mr A to suffer any distress or inconvenience or had any wider impact on Mr A. It seems Mr A was largely shielded from being caused distress and inconvenience as his representative had all the stress of sorting things out on a day-to-day basis.

I sympathise with Mr A1 - NS&I has acknowledged providing poor service in the course of its dealings with Mr A1. And I don't doubt Mr A1 when he says he's been caused significant stress, frustration and inconvenience dealing with this matter on behalf of Mr A. But, as explained above, Mr A is the bond holder and NS&I owes its duty of care to him – not to Mr A1.

After having taken into account everything that Mr A's representative and NS&I have told me, I haven't seen enough to show that NS&I treated Mr A in a way that wasn't fair and reasonable overall. So I can't uphold this complaint or tell NS&I to increase the compensation it has offered or take any other further action.

NS&I has however confirmed to us that it is holding open an offer to pay a further £50 to Mr A1. That's a matter between NS&I and Mr A's representative so Mr A1 should contact NS&I direct to take up this offer if he so wishes.

My final decision

My final decision is that I do not uphold this complaint. It is up to Mr A's representative to contact National Savings and Investments if he wants to accept their offer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 March 2025.

Susan Webb
Ombudsman