

The complaint

Mr H complains that National Savings and Investments ('NS&I') should have done more to raise awareness about the need for phones to have up to date software to enable account access. He also feels that its helpline should have been aware of this issue and informed him accordingly.

What happened

Mr H was required to complete a two-stage verification process when he tried to access his premium bond account online. He tried three times, but he was unable to receive the automated security call which would have provided him with the one-time passcode (OTP) he needed to log in to his account online.

When he contacted NS&I's helpline, he found out that other customers using the same sort of phone as him had also reported difficulty. Mr H didn't have access to a landline or a different type of phone. He was offered an alternative way to try and get into his account – but this was unsuccessful as he was unable to complete all the required security questions.

Ultimately, Mr H regained access to his account but this took some time. Meanwhile he'd needed to borrow money elsewhere to bridge the funding gap when he couldn't get access to the money he'd invested in premium bonds.

NS&I didn't uphold his complaint but said it was disappointing to learn about what happened and paid him £30 as a goodwill gesture to a valued customer. It also passed the matter to its technical team – and a workaround was suggested. NS&I reminded Mr H that he could access money in his premium bonds by post or phone.

Unhappy with this response, Mr H brought his complaint to us and one of our investigators looked into what happened. The investigator was satisfied that NS&I hadn't made any error and didn't uphold Mr H's complaint.

Mr H disagreed, mainly saying as follows:

- the issue of ongoing software obsolescence is well-known and it's reasonable to expect NS&I to have prominently flagged its minimum software requirements – which it hadn't done when he first had a problem with this.
- There must have been other complaints to NS&I and to the Financial Ombudsman arising from the introduction of OTPs at NS&I which we haven't mentioned.
- NS&I's helpline did not specifically identify the issue as resulting from software obsolescence which was a serious failing on the part of the call handler.
- Having answered three out of four security questions correctly, he should have been advised to call back later when he remembered all the correct answers.

- Mr H takes issue with the investigator's conclusion that he wouldn't have done things differently even if NS&I should have anticipated that he'd be affected by a software issue and contacted him in advance to warn him.

The complaint has come to me 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.

This includes listening to the call recording provided.

I've carried out an independent review and having done so, I've reached the same conclusion as our investigator. I'll explain my reasons.

As I understand things, the crux of Mr H's concern about what happened is that NS&I should reasonably have foreseen the impact on some of its customers when it upgraded its security processes and should've highlighted this more prominently.

I can completely understand Mr H's frustration here. And I'm sorry that regaining access to his account online proved so problematic for him. But in order to uphold Mr H's complaint, I would have to find that NS&I made an error or acted unfairly or unreasonably. So that's the focus of my decision.

I don't consider there was any particular obligation on the part of NS&I to identify and alert those customers likely to be impacted by upgraded security measures. From a practical standpoint, NS&I couldn't reasonably know in advance what type and generation of phone its customers would be using.

As Mr H acknowledges, it is widely recognised by financial businesses (and I think their customers) that new systems are constantly being developed to enhance account security and keep customers' money safe. This can mean that older style phones need to be upgraded - or replaced if they can't be loaded with the necessary new software required to enable compliance with new security features. I don't think it would be particularly unusual for anyone with an older style phone to discover that they were affected by changes made at NS&I – in Mr H's case, since he'd last logged in online to his account.

I've also taken into account that the OTP issue wasn't necessarily a barrier to him accessing his money. Having listened to the call with the helpline, I am satisfied that the call handler tried his best to assist Mr H. I don't consider the call handler could have known that 'software obsolescence' was necessarily the reason Mr H was experiencing difficulty. When he mentioned that some other customers using the same sort of phone as Mr H had reported problems, I think he was just trying to identify why Mr H might be having a problem so he could find a solution. And although the call handler did propose an alternative that would likely have solved the problem on the day, Mr H wasn't able to recall the answers he'd previously logged to security questions – which ruled out the possibility of him being able to withdraw his money over the phone. I can't fairly hold NS&I responsible for Mr H not remembering the answers he'd provided for his security questions.

Each complaint is looked at on its own merits - I've looked at the circumstances that apply in this particular case and the fact alone that there may be other similar complaints (to NS&I or to us) doesn't change my conclusion here.

Once Mr H was locked-out of his account, he needed to complete the necessary paper forms in order to regain access to his account.

Like the investigator, I think it's likely that even if NS&I had highlighted in advance the fact that Mr H risked being impacted by a software issue if he tried using his phone, Mr H couldn't have avoided the problems he encountered. He didn't have an alternative phone that he could have used and he forgot his security credentials to gain access to the account and so avoid the issue with the phone. So it's hard to see what Mr H could have done differently – in these circumstances, he was always likely to need to complete the necessary paperwork and provide the verification needed, including a witnessed new signature, to restore his account access.

After taking into account everything that Mr H and NS&I have told me, I haven't seen enough to show that NS&I did anything wrong or that it treated Mr H in a way that wasn't fair and reasonable. So I can't uphold this complaint.

I hope that setting things out as I've done helps explain how I've reached my conclusions.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 April 2025.

Susan Webb
Ombudsman