

## The complaint

Mr and Mrs P complain about difficulties they experienced in making debit card payments to deposit money in their National Savings and Investments ("NS&I") account.

## What happened

A summary of what happened is below.

Mr and Mrs P live overseas but have a UK-based bank account and debit card. Mr P was trying to open a joint account with NS&I using his bank debit card to deposit funds. Despite several attempts, he couldn't get the payment to go through. Having experienced this problem previously, Mr P complained to NS&I. He said his bank told him it had approved the payments, and that the time matters were taking was causing him a financial loss. But NS&I told him the payments had been rejected, saying it had received a message from the payment processor that the postcodes on the respective accounts did not match.

Although Mr P was later able to make payment by a combination of debit card and direct transfer, he remained unhappy with NS&I's response and asked us to investigate.

Our investigator didn't think NS&I had acted incorrectly. She noted that it had provided the transaction log supporting the reason NS&I had explained for why the payment had been rejected. The investigator noted that NS&I had sent Mr P a manual application as a workaround, and that Mr P had been able to make payment successfully after he updated the account address to a UK-based one. She wasn't persuaded that the problem Mr and Mrs P had experienced was due to an issue with NS&I's systems.

Mr and Mrs P didn't accept the investigator's conclusions and asked for this review. Mr P said he wanted to take matters further because of the insistence by NS&I that a postcode mismatch was the *only* reason his attempt to deposit funds was delayed, even though he had provided it with a recent bank statement as evidence of the address details held by his UK bank. He maintains that the issue has led to financial loss due to the delay in being able to deposit funds and has caused him a fair amount of time and trouble.

## 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, like our investigator I don't consider the circumstances here suggest the fair way to resolve matters would be for me to require NS&I compensate Mr and Mrs P. I appreciate the frustration Mr P has described, and while I can't take into account his previous experience relating to the failure of debit card payments<sup>1</sup>, I don't doubt the cumulative effect this has had on him.

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<sup>1</sup> Although Mr P previously complained to NS&I in 2022 when he first had trouble in making payment by debit card, he didn't bring that complaint to us within the time limit that applies in our rules. As such, I can't consider it as part of this complaint.

I do understand why Mr P finds NS&I's explanation unsatisfactory. His UK bank account statements have the same address as the one on the NS&I application. That doesn't support that there was a postcode mismatch, though I've not been able to exclude the possibility that the registered account address with the UK bank is different from the address used for correspondence such as account statements.

But the fact Mr P is dissatisfied with NS&I's explanation does not make that explanation incorrect. NS&I has provided transaction records that show that a postcode mismatch was specified as the reason the payment processor rejected the transaction. Whether or not there was a mismatch doesn't change that this was the reason the payment processor gave to NS&I. And in such circumstances, I don't find that it was unfair or wrong for NS&I to give this reason to Mr P in response to his complaint.

Further, it's important to note that NS&I is the (potential) payee in this type of transaction, rather than the payment service provider. I've not seen anything that would lead me to conclude that NS&I exercises control over the payment processor suggestive of a principal/agent relationship, such that I could properly find NS&I responsible for the validation methods the payment processor uses. That being the case, I'm not minded to require NS&I to compensate Mr and Mrs P in relation to his time or any interest return they feel they've missed out on because they were unable to make payment by debit card.

I'm pleased to see that Mr and Mrs P were ultimately able to find a way of overcoming the problem with postcode validation and successfully deposited funds with NS&I. I hope the solution they've found will facilitate any future deposits, should they wish to make them.

### **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 and Mrs P to accept or reject my decision before 22 April 2025.

Sarita Taylor  
**Ombudsman**