

The complaint

Ms W complains National Savings and Investments (NS&I) has not been able to provide all of the information she wants about her Premium Bond for which she holds the certificate.

What happened

Ms W said she came across a Premium Bond certificate in her name. She said her relative was told by NS&I that the Bond had been cashed in, but she knew this wasn't the case.

Ms W completed a form to trace the Premium Bond. NS&I responded that it was 'repaid previously'. Ms W complained to NS&I, but it said it had investigated including within its archived documentation but was unable to find anything relating to the Premium Bond as further records had been destroyed. NS&I said it only keeps information for seven years until archiving but even this would still show information about the Premium Bond.

NS&I said further, *'due to lack of information, it is apparent that the bond was cashed in, but may not have been logged onto our systems.'* NS&I thought this must have happened before 2007 from when all Premium Bond activity was logged online, and suggested this may have been by Ms W's relative. NS&I sent Ms W a cheque for £30 as a 'valued customer' payment, but she refused to cash the cheque. Instead Ms W referred her complaint to our service.

Our investigator asked NS&I for further information and NS&I found that the Premium Bond had been repaid by cheque on 20 April 2001. NS&I provided a Bank of England reference for the cheque which means it was cashed in. NS&I apologised to Ms W that it hadn't confirmed the closure date previously and offered her an additional £50 for any distress.

Ms W rejected this offer as she wanted to know who cashed in the Premium Bond and who the payment was made out to.

The investigator didn't recommend the complaint be upheld. She said NS&I provided copies of its records to show the Premium Bond was closed and paid out in April 2001 by crossed warrant. She said it wouldn't be fair to require NS&I to pay the value of the Premium Bond. She said NS&I's offer of a total of £80 for any trouble and upset caused to Ms W is very fair.

Ms W wasn't satisfied with this response. She said no one can tell her to whom the Premium Bond was paid. And said the NS&I 'story' has changed throughout this investigation. Ms W requested an ombudsman review her 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 can see that Ms W has made all efforts to find out what has happened to her £5 Premium Bond. She said neither herself or her relative have cashed it in and NS&I should reinstate it.

My role is to determine whether what took place was reasonable and whether NS&I followed the process of cancelling the Premium Bond correctly.

I have seen NS&I's records which show Ms W's Premium Bond was closed and paid out by Crossed Warrant on 20 April 2001. NS&I has a record of the Bank of England reference which means the warrant was cashed in.

NS&I has confirmed that it's not necessary to take the Premium Bond certificate when completing a cash in request. So, retaining a certificate does not evidence that the bond is still active. I think this evidence puts it beyond doubt that the Premium Bond was cancelled and paid out in April 2001.

I can see that Ms W doesn't accept the information NS&I has provided, mostly because NS&I assured her it held no information only then to find the 2001 record of cancellation and because she doesn't think her relative would have cashed it in.

I agree with Ms W that NS&I's initial investigation was unsatisfactory. I'm glad to see acknowledgment by NS&I of its error and I hope that it views this complaint as an opportunity to review this part of its approach to investigating historic Premium Bond cancellations.

Unfortunately, NS&I wasn't able to provide Ms W with information about who the payment was made to. NS&I aren't required to retain records of closed accounts for more than six years; however, they have the data logs and this shows the Premium Bond was cancelled in 2001. Ms W has no information about the ongoing existence of the Premium Bond, and so it wouldn't be fair for me to require NS&I to reinstate it.

I have considered the compensation that might be due to Ms W from the poor service she received. When we make awards of compensation we are not looking to fine or punish a business but to find an award that fairly and reasonably compensates the consumer for the wrong that has been done. The award should be proportionate to the scale of the loss or impact of the harm caused.

I can see that Ms W has spent some time pursuing information about her Premium Bond and has felt frustrated by the lack of identification of an active account. NS&I already offered £30 as a valued customer payment, and subsequently offered Ms W a further £50 for the trouble and upset it has caused her.

The compensation offered to Ms W totals £80 and so is considerably more than the £5 invested in the Premium Bond. I agree with the investigator that this represents a fair resolution of Ms W's complaint considering the time it took NS&I to identify the information about cancellation. I think a total of £80 is a fair amount to pay to say sorry for the inconvenience NS&I caused and I recommend that Ms W contacts NS&I to accept payment of this compensation.

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 Ms W to accept or reject my decision before 28 May 2025.

Andrew Fraser

Ombudsman