

The complaint

The estate of Ms S complains that National Savings and Investments (NS&I) caused a delay in the settlement of the estate and communicated poorly.

What happened

Mr S, an executor, called NS&I about Ms S's passing in April 2023. He said NS&I advised him that £50k savings could be retained for a further 12 months and remain in the monthly prize draw. He said that after an erroneous payment in April 2024, he contacted NS&I who had no record of previous discussion.

Mr S complained on behalf of the estate to NS&I. He said he was told in April 2023 the premium bonds would remain active for the estate for 12 months, and contacted again in surprise of a prize after 13 months. He said many calls followed until NS&I released the funds in August 2024, 17 months after Ms S's death. Mr S said this was five months after the due date for release as supported by email communications.

NS&I responded that lack of phone security in terms of customer verification means it only accepts notification of death via its Bereavement Form. NS&I said its first record of contact with Mr S was on a call in April 2024 and he submitted the form in June 2024. But before this NS&I said a change was made to the nominated bank account details Ms S's account.

NS&I said Ms S's premium bonds remained eligible for prizes for 12 months after her death, and the estate is ineligible for prizes thereafter. NS&I accounted for the unauthorised wins by deducting these from the final repayment to the estate.

Mr S wasn't satisfied with NS&I's outcome and referred the complaint to our service. He said NS&I's Bereavement Team isn't 'customer facing' and is not fit for purpose and over-relies on phone communication with a variety of different call handlers. He said the record of calls is available for NS&I complaints team, but not the consumer.

Our investigator recommended the complaint be upheld and said NS&I should compensate the estate £250 for the inconvenience caused. She said Mr S called NS&I to notify Ms S's death and was told it was possible to keep the premium bonds for a further 12 months before transfer to the estate. He said Ms S's bank account would be closed and received confirmation of his change of the nominated bank account. Payment of prizes followed.

The investigator said NS&I's bereavement team not being customer facing means it doesn't take incoming calls or emails from customers. She said unfortunately, NS&I can't locate Mr S's calls in March/18 April 2023, but she believed they had been made, and NS&I should have provided a better service. However, she said NS&I informed Mr S the necessary bereavement documents needed to be resubmitted for the funds to be released and once received in the correct format and signed by both executors it promptly released the funds.

Mr S agreed with the investigator, but NS&I did not and requested an ombudsman review the complaint. NS&I said it had no evidence that Mr S called in March/April 2023, and its website explains what executors need to do. NS&I said Mr S received prizes as he logged

into Ms S's premium bond account and changed her nominated bank. NS&I said had it been aware of Ms S's death in April 2023, it would have blocked the account pending the claim form. And when this arrived in June 2024 it dealt with this in a timely manner.

The investigator revised her view of the complaint to say our service cannot award compensation to the estate as the eligible complainant is the late Ms S, and we can only consider the impact on her. Since the complaint occurred after her passing as it involved her estate, the investigator could only recommend NS&I pay the recommended compensation.

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.

Mr S said the primary reason for the estate raising a complaint is to get NS&I to review its interface with customers, and to improve communications and its record thereof. Mr S said NS&I should provide clear and easily accessible process for notification and supporting documentation that is required following a bereavement.

I was sorry to learn that what should have been a straightforward process has turned into a prolonged and unhappy experience. Part of my role is to determine whether what took place was reasonable and whether NS&I followed the process correctly. The process here is the registration of the late Ms S's passing.

Mr S's criticisms of NS&I's handling of the settlement of Ms S's estate and its poor communications turns on whether or not he called NS&I about her death in March/April 2023. Where something is contested and there's no other evidence, we can only decide on what we think is the most likely to have happened.

NS&I said it would have placed a block on Ms S's account and retained prizes until it received the appropriate documentation, but it continued to send the prizes to Mr S's bank account and emails addressed to her. NS&I said Mr S did not query these with NS&I.

I understand NS&I's position, but I agree with the investigator that it is unlikely Mr S would have waited over a year to report his mother's death to NS&I and this only held up the settlement of the estate. I don't think Mr S would have known, without the call, that premium bonds can remain in the draw for 12 months for the benefit of the deceased's estate and it was after this he changed the nominated bank account so prizes could still be received.

I also agree with the investigator that this is not a call a bereaved person is likely to forget. It may be that NS&I's lack of record of the call is due to the non-customer facing nature of its bereavement team and only acting on receipt of a bereavement form. Mr S said he noticed that the email was addressed to Ms S but wasn't concerned as it was such a recent change.

NS&I are correct to say that when it received the bereavement form in the correct format and signed it repaid the premium bonds promptly in August 2024. NS&I correctly deducted prizes awarded outside of the 12 month period from the payment to the estate.

It is important to note the rules governing our service don't permit us to award compensation for the distress and inconvenience that may be suffered by an executor of an estate. This is because the executor is representing the estate of the deceased (as the person authorised in law), rather than themselves, and the estate (as the complainant), is not a 'natural person' in terms of personal impact. The estate stands in place of the deceased and this complaint post-dates Ms S's death.

However, it is possible for an estate to be caused financial loss, and I have considered this point. This would be limited to loss it - not any beneficiaries - may have suffered, and so this would be limited to expenses or loss of interest to the estate during the administration period. This would only be due to any errors by NS&I, and we can't award compensation for any delays or other inconveniences. Mr S doesn't claim any losses to the estate, and I have found that NS&I acted promptly in releasing the funds once it received the correctly formatted documents. And so it follows that I cannot make an award of compensation in these circumstances.

Putting things right

The investigator's recommendation of £250 compensation remains, and I also think this would be appropriate for NS&I to pay to the estate in the circumstances I and the investigator have described. But, for the reasons I have given I cannot require this.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Ms S to accept or reject my decision before 5 August 2025.

Andrew Fraser
Ombudsman