

The complaint

Mrs L is dealing with this complaint on behalf of Miss L. For ease I will refer to Mrs L throughout.

Mrs L is unhappy with National Savings and Investments. Mrs L controlled a premium bonds account for her daughter Miss L. When Miss L reached 16 years old NS&I removed Mrs L from the account. NS&I said it was now Miss L's account and Mrs L could no longer handle or be involved with the account. It also said Mrs L couldn't make any further investments into the account for Miss L.

What happened

Not only did Mrs L find she couldn't look after the account any longer she was also told that she couldn't place any further funds into the account for Miss L.

Mrs L raised with NS&I that Miss L wasn't capable of looking after her own investments due to her personal difficulties. She said she needed to keep control of the account for her daughter.

Eventually, NS&I said it would allow Mrs L to manage Miss L's account. It confirmed it would consider any withdrawal requests as long as these were used for Miss L's care and benefit. But it also confirmed it wouldn't be able to accept any further investments.

NS&I said it could only accept payments from the account holder or from someone who is legally appointed to manage their finances via a Power of Attorney or Court of Protection. NS&I accepted it is difficult to obtain legal responsibility for someone aged under 18 but it said this was its policy and there isn't another way around it.

Mrs L brought the complaint to this service.

Our investigator didn't uphold the complaint. He said NS&I had accepted Miss L can't manage her own finances. Our investigator noted NS&I is bound by law that stops it allowing someone to operate bonds for another person unless that person is an appointed deputy. He didn't think this was unreasonable and referred to NS&I having to follow specific regulations. Our investigator accepted NS&I has a specific criteria that may differ from other financial institutions, but it is entitled to make its own commercial decisions. He pointed out to Mrs L that this service wouldn't decide if something was lawful or not, determine on legal breaches, or make a ruling of law. For that he said Mrs L would need to take this matter to court against NS&I.

Mrs L didn't accept this and asked for the complaint to be passed to an ombudsman 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.

Mrs L told this service there were several reasons why she hadn't applied for a Court of Protection order for Miss L. She said as Miss L was only 16, she is her parent and legal guardian and retains responsibility for her until she is 18. Mrs L said applying felt *"premature and disproportionate."*

Mrs L said such applications are expensive. She said there's up front fees, costs for medical assessments, ongoing fees and potential legal costs adding a significant financial burden.

Mrs L noted the family already has to deal with the difficulties such health issues create without more unnecessary bureaucracy, and this would add further emotional and administrative strain.

Mrs L said she felt NS&I's actions were illogical and discriminatory. And that NS&I were failing to make reasonable adjustments for a vulnerable customer.

Mrs L questioned whether NS&I's position was lawful under the Equality Act 2010. NS&I said the terms and conditions state that a child will manage their own bonds once they reach the age of 16. It confirmed if advised the customer can't deal with the account themselves it would request medical confirmation of the customer's condition.

NS&I continued *"Once we receive medical confirmation of the customer's health condition and how it affects their ability to manage their own account, our process does allow the person who was the responsible parent to continue to manage the customer's existing funds until a legal appointment (that of a deputy) could be made when the incapacitated person reaches the age of 18. But we would inform them that no further investments can be made until a legal appointment has been made."*

Once it had seen the medical evidence NS&I said Mrs L could look after the account. It confirmed requests to take payments from the account would be looked at sympathetically and would be made on *"care and benefits lines."*

NS&I concluded it is bound by law and can't allow someone else to operate bonds on behalf of another person. And it said *"Once a Court of Protection order is received when the customer reaches the age of 18, as they are then legally able to represent the customer, further deposits can be made from a bank account in the name of Miss L."*

I do understand the points Mrs L is making on behalf of her daughter and what she wants to do for her daughter's account. This was why she originally registered through the Care & Benefits scheme to administer Miss L's account.

Looking at the NS&I terms and conditions it does appear to have acted in line with these. As the terms and conditions are what Mrs L signed up for when the account was opened, I can't say that NS&I has acted unfairly or unreasonably here. I think NS&I was clear about what Mrs L could and couldn't do with the account – I think that's reasonable.

It also confirmed the options Mrs L could take to allow herself more access and more options with the account. I can't hold NS&I responsible if Mrs L doesn't want to go through those steps. The steps are just following NS&I's requirements within the terms and conditions to have someone legally appointed. I do take on board her valid points about the difficulties this causes her and her family, but the requirement is around how NS&I works, and it wouldn't be right for me to ask it to change its entire process due to this specific situation.

I think NS&I has acted fairly and reasonably here.

My final decision

I don't uphold this complaint.

I make no award against National Savings and Investments.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 18 August 2025.

John Quinlan
Ombudsman