DRN-5598002

The complaint

Ms E complains the National Savings and Investments (NS&I) provided her with incorrect information leading her to believe that a £1,000 withdrawal from her Premium Bonds had gone missing.

What happened

In October and November 2024 Ms E initiated three withdrawals from her Premium Bonds with NS&I to her nominated Bank Account. Ms E believed that one of her instructions hadn't been carried out, so she complained.

NS&I indicated that a payment of £1,000 was still due to be paid to Ms E's bank account. It apologised for the delay, said it would make arrangements to make the payment, and it paid £100 compensation into Ms E's bank account in recognise of the inconvenience the delay had caused. When the payment wasn't received into her account, Ms E contacted this service.

Before we had investigated Ms E's complaint, NS&I contacted us to say that a £1,000 payment wasn't outstanding to Ms E. It said that there had been some confusion because after initiating two of the withdrawals, Ms E had subsequently deferred them until after the next prize draw.

But it acknowledged that Ms E had been given some incorrect information and was led to believe a £1,000 withdrawal was still due to paid. It said it wanted to offer Ms E a further £50 compensation.

Our investigator looked into what had happened. And she was satisfied that Ms E's nominated account had been credited correctly with the withdrawals she had requested. But she acknowledged that NS&I did cause some confusion by providing Ms E with incorrect information and that this had caused her distress as she thought £1,000 had gone missing. But overall, the investigator thought that £150 compensation (£100 already paid) was fair.

Ms E asked for the complaint to be passed to an Ombudsman. She acknowledged that she had received the correct payments into her bank account from NS&I. But she said at no time did NS&I explain to her what had happened and repeatedly told her another £1,000 was due. So, she didn't think that £150 compensation fully recognised the distress and inconvenience caused.

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, I've reached the same overall conclusion as our investigator. I know Ms E will be disappointed, so I'll explain why.

The investigator has already clearly set out the withdrawals Ms E requested and the dates these were paid to her bank account. And Ms E has acknowledged - having checked her bank account statements – that she has received the payments she requested. So, I don't need to make a finding on this.

What is in dispute is whether £150 compensation (£100 already paid) fairly recognises the distress and inconvenience caused to Ms E when NS&I told her another payment was due and didn't fully explain what had happened until the complaint had been referred to this service.

I've thought about this carefully. In doing so, I've taken into account that I think Ms E should have been aware that she had deferred some of the withdraws and, as such, the payments weren't due to be paid as soon as she would have originally expected. But I acknowledge that NS&I should have been able to clarify this with her when she first contacted it about the payment she thought was missing. But it didn't, it gave her the impression that the payment was still due. And when Ms E didn't receive the payment, she had to continue to follow this up with NS&I and through this service.

Taking all this into account, I find that NS&I caused Ms E more than the level of frustration and annoyance you might reasonably expect from day-to-day life when dealing with financial businesses.

NS&I has apologised to Ms E and paid her Ms E £100 compensation and has now offered a further £50 compensation. Having thought about this carefully, I agree with our investigator's findings that a total compensation payment of £150 is fair and reasonable. This is in line with what I would expect in the circumstances presented and within the general framework our service uses when assessing compensation amounts, details of which are available on our website.

My final decision

For the reason given above, I uphold this complaint. National Savings and Investments should now pay Ms E an additional £50 compensation (if it hasn't already done so), making a total compensation award of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 2 September 2025.

Sandra Greene
Ombudsman