

The complaint

Mr S complains about the delay by National Savings and Investments (“NS&I”) in crediting his account with premium bond prizes following the monthly draw. He believes the 7 working day delay between notification and payment is unreasonable and treating customers unfairly.

What happened

Mr S holds premium bonds with NS&I. NS&I held its monthly prize draw for these on 3 June 2024 where Mr S won three tax free cash prizes of £25, £50 and £50. These were credited to his account on 10 June.

Mr S complained to NS&I by email about the time it took to credit premium bond prizes to customers bank accounts and asked it make this right by adjusting the payment to be made on the first weekday of the month and calculate and pay lost interest at 8% for premium bond payments that have been unnecessarily delayed. But as this was not sent to its complaints team the complaint wasn't registered and Mr S not having a response brought his complaint to this service.

Following this NS&I explained it does not have the facilities that banks do to make a same day payment for premium bond prizes by faster payment or CHAPS. It says that payments are made by BACS which takes 3 working days to reach an account as it has to go through its clearing bank first and that customers normally receive money into their bank account by the 7th working day of the month.

NS&I has explained that the premium bond prize draw takes place on the first working day of each month and if the first day of the month falls on a weekend or bank holiday the draw is postponed to the next working day.

In June 2024 the first working day was Monday 3 June and NS&I sent all prizes paid by BACS on the evening of Tuesday 4 June and Mr S received his prizes into his bank account on Monday 10 June – the 6th working day.

One of our investigators looked into Mr S's concerns but didn't think NS&I had made an error or did anything wrong in the payment of Mr S's premium bond prize as it was paid to him within the required time set out in the guidance on its website and it isn't for this service to tell NS&I how to run its business or change its processes. .

Mr S disagreed and so his complaint was progressed for an ombudsman's decision.

Mr S says it is not fair or reasonable for NS&I to delay access to winnings that have already been calculated and confirmed. He believes this fails to give fair value to consumers as it is withholding the time value of money from its customers. Mr S says NS&I's delay is out of step with industry standards and it has failed to make it sufficiently clear why the delay exists.

Mr S wants these practices to be urgently reviewed and that the NS&I should be required to amend its systems to ensure that Premium Bond prizes are paid into bank accounts no later than the next working day after the draw result is confirmed.

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 hope that Mr S won't take it as a discourtesy that I've condensed this complaint in the way that I have. I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of the complaint is about the time it takes for NS&I to credit premium bond prizes to its customer's accounts. He believes the delay isn't fair or reasonable as it is withholding money and investment potential from its customers and believes NS&I are in breach of several items of industry regulation impacting its customers and wants this practice reviewed and NS&I's systems amended.

It might help if I explain here that this service isn't a regulatory body or a Court of Law and doesn't operate as such. So it isn't within my remit to decide if NS&I have or haven't acted out of accordance with industry regulation. If Mr S feels that NS&I have acted out of accordance with regulation, he may want to raise this matter with the FCA who are the relevant regulatory body in this instance.

And while I have considered the regulatory principles to which Mr S refers, including the Consumer Duty, my decision is ultimately based on whether I feel that NS&I have done anything wrong or acted unfairly to Mr S in his circumstances. And having considered everything carefully, I'm in agreement with our investigator and I don't think there is anything much more of use I can add.

I don't have the power to tell NS&I how it needs to run its business and I can't make it change its systems or processes – such as how long it takes to credit its customers accounts with premium bond prizes once they've been notified of their winnings. This is a commercial decision and not something for me to get involved with.

That said, I don't think it is unreasonable that there is some delay between the notification of the prize and payment, as I'd expect there to be checks that would need to be made in order to adhere to regulatory requirements and a process it needs to follow for collecting the funds from its prize pool and paying it accordingly.

Indeed, NS&I have explained not being a bank it simply doesn't have the facilities that banks do to make same day payments for premium bond prizes by faster payment or CHAPS and that it makes its payments by BACS which takes 3 working days to reach an account as it has to go through its clearing bank first.

And in any case the notification that Mr S received a prize is merely a notification and not an entitlement to receive the money on that day. And as the notifications and payment of prizes were processed within the timescales NS&I have laid down and communicated clearly on its website where it says:

'If you win, we'll let you know the good news by email or text message. You'll then normally receive your prize money in your bank account by the 7th working day of the month.'

I can't say NS&I made a mistake in the processing the payment of Mr S's June prize on 10 June – 6 working days after the prize was drawn – as it was within 7 working days

I appreciate Mr S believes that as other banks pay interest within 1 to 3 days NS&I should do the same. But premium bond prizes are not interest payments and are unique and NS&I is entitled to set its own policies and procedures regarding the payment of these and isn't obligated to follow what other businesses do.

So on this basis it follows that I do not uphold Mr S's complaint.

My final decision

For the reasons I've explained I've decided not to uphold Mr S's complaint against National Savings and Investments.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 July 2025.

Caroline Davies
Ombudsman