

The complaint

Mr J has complained about the delays in setting up an NS&I savings account within his Self-Invested Personal Pension ('SIPP'). Mr J has stated that had Westerby Trustee Services Limited trading as Westerby The Pension Specialist ('Westerby') acted appropriately his NS&I account would have been opened around 5 months sooner. During the delay period, Mr J lost out on interest that could have been earned.

As such, Mr J has requested compensation to cover the lost interest, and a waiving of all Westerby transfer out fees so he can move his pension to a new provider at no cost.

What happened

The chain of events which transpired in this case has already been laid out to both parties by our investigator. Neither party has questioned that chain of events, and as such I have only included a summary of the key points of contact here.

- 23 October 2023 – Mr J sent Westerby his NS&I application form.
- 6 November 2023 – as NS&I only accept an initial payment into one of their accounts by cheque, Westerby emailed Metro Bank and asked them to send a cheque book.
- Throughout December 2023 and January 2024 Mr J chased Westerby for a progress update.
- 30 January 2024 – Mr J made a formal complaint with Westerby as he still hadn't received any updates.
- 5 February 2024 – Westerby responded to Mr J confirming they had located his paperwork in 'the tray of an administrator who is no longer with Westerby'. Westerby contacted Metro Bank the same day chasing the cheque book. Metro Bank confirmed the cheque book had been sent.
- 15 February 2024 – Westerby sent Mr J a cheque for signing and emailed him to confirm this.
- 19 February 2024 – Mr J confirmed he had posted the signed cheque back to Westerby.
- 22 February 2024 – Westerby sent the cheque and application form to NS&I.
- 20 March 2024 – NS&I wrote to Mr J to confirm the bond had been set up. This letter confirmed that the bond had been opened on 24 February 2024 with an interest rate of 3.59% gross / 3.65% AER.
- 27 March 2024 – Westerby confirmed they would issue their final response to Mr J's complaint within the next two weeks.
- Through May – September 2024 Mr J chased Westerby for a response to his complaint.

Having not had a full complaint response, Mr J referred his complaint to this service in October 2024.

Westerby subsequently issued their complaint response on 17 December 2024. Westerby stated that as the interest rate applicable to the NS&I bond eventually purchased was the same as that which was originally applied for, no interest had been lost. Westerby did however offer Mr J £250 for the distress and inconvenience caused.

Mr J rejected this complaint outcome and requested that this service continue with our investigation.

Our investigator looked into things and concluded that the complaint should be upheld.

Having looked at the timeline of events which transpired, our investigator said that had Westerby acted appropriately, the NS&I savings account would have been opened sooner.

Our investigator also provided redress recommendations to both parties. Whilst Mr J accepted the findings issued, Westerby did not agree with the outcome reached. As such, the case was passed to me for a final decision.

I initially issued a provisional decision which said:

“Having looked at the timeline of events above, I agree with the overall conclusion reached by our investigator - there were unreasonable delays in the setting up of Mr J’s NS&I savings account, and had Westerby acted appropriately these delays could have been minimised.

Within the findings already issued our investigator laid out an alternative timeline detailing what would most likely have happened had Westerby acted reasonably. I would like to note that it is impossible for me to know exactly what would have happened had Westerby acted differently. However, I broadly agree with alternative timeline set out by our investigator albeit having reached a slightly different date upon which I believe the NS&I bond would have been set up.

- *23 October 2023 – the NS&I application form is submitted by Mr J. Westerby would have been aware of the need to request a cheque book at this time.*
- *25 October 2023 – Westerby should have requested the cheque book from Metro Bank within two working days.*
- *1 November 2023 – After a week, in my opinion, it would have been reasonable for Westerby to chase Metro Bank for a response.*
- *8 November 2023 – Westerby would have received the cheque book from Metro Bank and sent the cheque to Mr J for signing.*
- *13 November 2023 – Mr J would have signed and returned the cheque within three working days.*
- *15 November 2023 – Westerby should have sent the cheque and application to NS&I.*
- *17 November 2023 – NS&I set the bond up for Mr J.*

Whilst NS&I only confirmed the bond had been set up on 20 March 2024, this confirmation letter stated that the bond had actually been set up on 24 February 2024, two days after Westerby had sent the cheque. As such it is reasonable to conclude that had the cheque been sent earlier (on 15 November 2023) this bond would also have been set up two days later, on 17 November 2023.

In reaching this alternative date, I have considered Westerby’s point that there were delays in getting a cheque book from Metro Bank and they should not be held responsible for another business’s delays.

However, whilst an initial request for a cheque book was sent on 6 November 2023, this was not followed up by Westerby until 5 February 2024, despite Mr J chasing for updates throughout December 2023 and January 2024.

I do not think it is unreasonable for Mr J to expect Westerby to chase Metro Bank up for a cheque book one week after an initial request was made if nothing had been received. Mr J was clearly looking to increase the returns payable on cash held within his SIPP, Westerby would have known any delays would have led to Mr J losing interest payments, and Westerby had a duty to act fairly and reasonably towards Mr J.

In their complaint response to Mr J, and in their communications with this service, Westerby have stated that as the interest rate applied to the bond had not changed because of the delay, no loss had been suffered.

I disagree. Whilst the interest rate applied to the NS&I bond did not change, Mr J could have been earning this interest rate much sooner, as such I have concluded losses were incurred."

I went on to ask both parties to provide any additional evidence or commentary they wanted me to take into consideration before I issued 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.

Mr J has confirmed he accepts the content of the provisional decision issued. Westerby have not provided any additional evidence or commentary for consideration.

As such I remain of the opinion that the outcome and redress instructions previously contained in my provisional decision represent a fair and reasonable outcome. As such I am not making any changes.

The redress instructions below are in line with those previously issued.

Putting things right

I'm upholding Mr J's complaint, so he needs to be returned to the position he'd have been in now, or as close to that as reasonably possible, had it not been for the delays I'm holding Westerby responsible for.

If Westerby had acted appropriately, I have concluded that Mr J's NS&I bond would have been opened on 17 November 2023, rather than 24 February 2024.

I am satisfied that what I have set out below is fair and reasonable given the delays suffered by Mr J.

Fair compensation

Considering the above, Westerby should:

- Calculate the interest Mr J would have earned from the NS&I bond on his £50,000 investment between 17 November 2023 and 24 February 2024. From the NS&I documentation on file the interest rate which should be applied is 3.59% gross / 3.65%

AER.

- To ensure Mr J is not over compensated Westerby should deduct any interest this £50,000 actually earned in the SIPP bank account between these dates.
- The redress should then be paid into Mr J's SIPP. The payment should allow for the effect of charges and any available tax relief. The redress shouldn't be paid into the plan if it would conflict with existing protection or allowances.
- If a payment into the SIPP isn't possible, then it should be paid directly to Mr J as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- If Mr J has any remaining tax-free cash entitlement, 25% of the loss would be tax free and 75% would have been taxed according to his likely income tax rate in retirement, presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this.
- In addition to the redress payable above, Westerby should also pay Mr J the amount they have already offered to cover the distress and inconvenience caused by the delays. As per their complaint response letter, this was £250 or a £250+VAT reduction in their future fees (with Mr J having either option). I consider this a reasonable amount given the circumstances in this case. Whilst our investigator increased this amount in the findings issued, I do not believe this was necessary in this case.

I have finally considered Mr J's request to have all future exit / transfer out fees waived so that he may transfer his pension to a new provider at no cost. This, however, is not something I believe it would be reasonable of me to require of Westerby. The redress instructions above will place Mr J's pension back into the position it would most likely now be in and provide a reasonable amount to cover the distress and inconvenience caused.

To require Westerby to also waive any exit or transfer out fees is not something I consider appropriate. Should Mr J decide to transfer away from Westerby, there would still be administrative work required of Westerby, and it is reasonable for them to charge Mr J for this work.

My final decision

In line with the commentary above I am upholding this complaint against Westerby Trustee Services Limited trading as Westerby The Pension Specialist.

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

John Rogowski
Ombudsman