

## **The complaint**

Mrs R is unhappy with National Savings and Investments (NS&I).

Mrs R said there was a breach of her personal information. She said NS&I sent her details to a third party. She said this caused her stress and anxiety at the time and since. She said it impacted on her husband who also suffers with long term health issues.

## **What happened**

Mrs R said she now lives in constant fear of the unknown regarding what this third party might do with her personal information in the future.

Mrs R said NS&I had offered her compensation. It initially offered her £175, it then added another £50 after a review and then again when the complaint came to this service, she was offered a further £275 to bring the total compensation offered for her distress and inconvenience to £500. But Mrs R didn't accept this. She said due to the serious data breach, the severity of the issue, and the loss of her "lucky" NS&I holder number she remained of the view this wasn't enough compensation.

NS&I accept its Tracing Team mistakenly identified Mrs R's account as belonging to somebody else. It said a data breach occurred and Mrs R's details were sent to a third party. It noted there was a period when Mrs R couldn't log into the website while her new security and holder number were being reset.

NS&I apologised and said this was an isolated incident. It first offered £175, then another £50 and then a further £275 to bring the total up to £500. It added that some credit agencies offer a free fraud subscription service, so it didn't feel it needed to offer this too. But it accepted if Mrs R provided proof of cost for a fraud subscription service she wanted to use it would consider the costs.

Mrs R remained unhappy and brought her complaint to this service.

Our investigator said the increased offer to £500 from NS&I at the point the complaint was with this service was fair. She noted the concerns, stress and disappointment Mrs R had felt due to the error. Our investigator said the offer around the fraud subscription service might ease Mrs R's concerns. She concluded as there had been no threats of fraud so far this was a good indication the third party wasn't a threat.

Mrs R didn't accept this and asked for her 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 R pointed out that the third party had been in touch with her by email prior to her hearing about the problem from NS&I. She said she deleted the email as it was likely to be a scam. But a few weeks later she heard from NS&I when the same person that emailed her asked NS&I to trace a holding in their name. Mrs R said NS&I told her it was someone with a similar name, but Mrs R noted they only had the same first name.

Mrs R said NS&I's Tracing Team did then transfer her bonds to this third party, along with her holder's number and NS&I number.

Mrs R said from that point the third party had complete access to her account and personal details. She said NS&I never checked with her around any of her personal security questions that had been set up when the bonds were initially purchased.

Mrs R said she was so stressed when she contacted NS&I her daughter had to speak on her behalf. At this point she was told NS&I couldn't verify her details, until Mrs R got her new Holder's Number she had no access.

When Mrs R got her temporary password, she found that a code needed to be sent to her mobile phone, but this was linked to the third party's mobile number. So, she still couldn't access her account. Mrs R said she rang NS&I again, but her husband had to speak for her as she experienced a panic attack. NS&I wouldn't speak to her husband so he had to calm Mrs R so she could update NS&I about this latest problem. Mrs R said it took more than an hour to reset and get access to her account.

Mrs R maintained NS&I could have avoided this whole situation by asking the third party any of her three security questions.

Mrs R didn't feel the amount offered was enough for the data breach, the stress and anxiety, the potential consequences, and the fear of what might happen with her data in the future.

NS&I accepted it made mistakes that led to the data breach. It noted Mrs R did have a period when she was unable to get into her account. It apologised and said it was very conscious of its obligation towards confidentiality. It accepted a clerical error was made when the third party number was left on Mrs R's account first time around.

NS&I sent confirmation of Mrs R's Premium Bonds account to her home address.

After the initial offer of £175 was paid into Mrs R's account it accepted this was too low and offered the extra £50. But as Mrs R was clear that in her circumstances and situation this wasn't enough it then offered the further £275 to make the £500 total. In view of Mrs R's concerns it referred to certain credit agencies offering free fraud subscription services. But concluded if Mrs R had picked and bought a different one she could provide NS&I proof of cost and it would consider paying this.

I realise how upset Mrs R is. I think it's completely understandable in the circumstances.

And I accept her frustration. To Mrs R the third party's name didn't appear to be the same as hers. But based on the information provided to this service I can see how NS&I did think the name was similar. However, I wouldn't excuse the errors made here. I agree with Mrs R that I'm not sure how the situation arose in the first place, and I agree Mrs R's security questions being asked is likely to have been enough to avoid the situation ever happening.

I take Mrs R's point about the loss of her original bond numbers too. Whatever the reality is, I've no reason to doubt her feeling that the original numbers she had for bonds and around

her account were lucky as far as she was concerned. And even if that isn't the case, these were her numbers.

I think initially NS&I didn't think enough about the clear individual impact this had on Mrs R. There's no doubt she suffered distress, inconvenience and the situation caused her health concerns too. So, I don't think the £175 or the further £50 offer were fair and reasonable enough in the circumstances.

But I do think with the apology, the total compensation offers of £500, and the consideration regarding the fraud subscription NS&I have eventually got to a fair and reasonable outcome.

I do understand Mrs R's worry about the future and what might happen with the third party. But apart from this incident there is no record of any other issue, and I can't consider things that haven't occurred. I think the offer around the fraud subscription is a fair option to ease Mrs R's concerns.

Because NS&I didn't make a fair and reasonable offer until Mrs R brought her complaint to this service the complaint is upheld. But I accept the further offer of a total of £500 is fair and reasonable.

I don't know how much, or if any, of the £500 remains to be paid to Mrs R but I'd ask NS&I to pay any outstanding amount immediately.

### **Putting things right**

I require National Savings and Investments to pay Mrs R any of the remaining £500 offered that is still outstanding

### **My final decision**

I uphold this complaint.

I require National Savings and Investments to pay Mrs R any of the remaining £500 offered that is still outstanding.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 24 October 2025.

John Quinlan  
**Ombudsman**