

The complaint

Mrs M complains that National Savings and Investments (NS&I) have incorrectly stated the withdrawals on her ISA. She wants this to be corrected as it impacts her tax-free savings.

What happened

Mrs M holds an ISA with NS&I. Mrs M paid £5,000 into the ISA in July 2024, but she had forgotten that she'd done this. In early February 2025, she intended to deposit £20,000 to use her full ISA allowance. Mrs M has said that she attempted a £5,000 and £15,000 payment into the account, but they were rejected. She then deposited £5,000 and £10,000 into the account which were credited successfully. She expected the balance to reflect that £20,000 had been deposited inclusive of the July deposit, however it had only increased by £15,000. She later discovered this was because £5,000 had been withdrawn from her ISA in early February 2025.

Mrs M complained to NS&I as she thought that an error had been made. NS&I didn't think they made an error as £5,000 was withdrawn online on 5 February 2025 and she made £20,000 worth of deposits using up her full allowance. Mrs M disagreed with this and didn't think NS&I had investigated the issue correctly as 5 February 2025 was the day that her payments were rejected, so she referred the complaint to our service.

An investigator reviewed the complaint and the further arguments from both parties. NS&I had provided system prints to support what they had said, and they confirmed that the account was a flexible ISA, so withdrawals can't be added back to her annual ISA allowance. Overall, the Investigator didn't think NS&I made an error as the evidence suggests that a withdrawal was made from Mrs M's IP address prior to the deposits being made.

Mrs M didn't agree as she was online at the time of apparent withdrawal, but she didn't request it. She added that the order of payments that NS&I provided didn't seem correct and weren't in line with the payment notifications they sent her, so she thought there had been a glitch in the system. Ultimately, she thought that the £5,000 withdrawal was a rejected payment and an error had led to it processing as a withdrawal. This didn't change the Investigator's opinion, so the complaint has been passed to me 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.

I can see that Mrs M feels strongly that she didn't request to withdraw from the ISA and instead had attempted to pay into the ISA. While I may not comment on every point she's made, I have taken it on board. I'll be focusing on the issues that I think are key to the outcome.

As the account isn't a flexible ISA, NS&I are correct in stating that withdrawals can't be

added back to her annual ISA allowance.

Our service can take testimony into account, but we rely on evidence where possible. Mrs M believes that an error has occurred in NS&I's system, but it's a difficult thing to prove and it's not the role of our service to assess the robustness of a businesses system. Instead, I have to focus on the specific circumstances of the complaint and as an impartial party, I'd need a sufficient amount of evidence to show that the evidence from another party is incorrect or flawed.

NS&I have provided evidence from multiple systems which shows that a £5,000 withdrawal was made while Mrs M was logged in and that the payment was sent to Mrs M. However, she thinks that this was a rejected payment rather than a withdrawal. The system prints show that the payments were processed in the following order;

- July 2024 - £5,000 deposit completed.
- February 2025 - £5,000 withdrawal completed.
- February 2025 - £5,000 deposit completed.
- February 2025 - £15,000 deposit rejected.
- February 2025 - £10,000 deposit completed.

The evidence provided to our service clearly differentiates the £15,000 payment from the others as it was a rejected payment, but no other payment is shown in that way, which is reflected across multiple systems. Mrs M has provided screenshots showing the payments that left and entered her account which displays a different order – so I can see why she included this in her argument. However, the processing, receipt and crediting of a payment can have complexities which results in them being credited to the balance of an account in a different order and at different times. So, this doesn't persuade me that the system evidence is incorrect.

NS&I has confirmed that it wasn't within their process at the time of the payments to send any notifications when a withdrawal was requested, and the two message notifications sent to Mrs M both relate to the rejected payment. Unfortunately, the messages contain very little detail as they are intended to prompt the customer to review their account. So, I'm unable to say for certain which payment or payments that the notifications related to.

I appreciate why Mrs M feels so strongly about this and I've taken it all on board. Evidence has been obtained which suggests that the withdrawal was requested by the person logged into the account at the time and that the payment was sent to Mrs M's account. I'm not persuaded that this is evidence which cannot be relied upon. As such, based on the evidence I currently have, I think it's more likely than not that the withdrawal was made and that the balance reflects the events that took place.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 23 March 2026.

Chris Lowe
Ombudsman