

## **The complaint**

Miss M complains, via her relative Mrs M, that National Savings and Investments (NS&I) sent a letter to an incorrect address. And complains that NS&I discriminated against her by asking Mrs M provide a Power of Attorney (POA) to show she's authorised to act for Miss M.

## **What happened**

Mrs M attempted to deal with NS&I about Miss M's Individual Savings Account (ISA). She confirmed details of the account but said that NS&I still requested a doctor's letter with proof of address or a POA. Mrs M explained that although Miss M has a medical condition, she has always had capacity but prefers for Mrs M to deal with financial matters.

Mrs M says NS&I shouldn't have requested the POA and by doing so have discriminated against Miss M. Mrs M thinks this is due to the NS&I's concerns that she is trying to take money from Miss M's accounts. Mrs M complained on Miss M's behalf to NS&I.

NS&I said that under its 'care and benefit process' it couldn't accept Mrs M's authority as she wasn't legally appointed to manage Miss M's financial affairs. And in these circumstances it has a duty of care to the customer and requested medical confirmation of Miss M's ability to manage her accounts. NS&I denied discriminating against Miss M and said it was ensuring the safety of her accounts. NS&I said Mrs M provided a POA, registered in July 2024.

NS&I said that if it had received the medical confirmation it requested that Miss M was able to understand a financial transaction then a POA would not have been required. NS&I said it was Mrs M's decision to obtain POA so she could continue to manage Miss M's accounts.

NS&I said in 2016 a letter was undelivered, and a block added to Miss M's account as security for undelivered post. Following receipt of change of details NS&I updated Miss M's address and paid her £75 compensation for sending a letter to the incorrect address.

Mrs M remained unhappy with NS&I's approach to Miss M's account security and referred her complaint to our service. She said Miss M's funds have not been generating interest and she would like Miss M to be compensated for this.

Our investigator said Mrs M is unhappy NS&I required a POA and the costs of this. But as Mrs M had told NS&I Miss M didn't have capacity to manage her accounts NS&I required medical confirmation. The investigator wouldn't ask NS&I to reimburse the cost of obtaining the POA as this enabled Mrs M to deal with Miss M's financial affairs legally. She said Mrs M notified NS&I of Miss M's new address in 2014. NS&I said it couldn't act on this, and once sent information about Miss M's account to what it had been told was no longer her address. The investigator said NS&I only accepts a medical letter or POA and won't agree additional support unless with a minor. And so, NS&I prevented Miss M completing tasks she could do with some support. She said NS&I hasn't shown it considered any reasonable adjustments to help Miss M access its service and hadn't done enough to support her as a vulnerable customer. The investigator recommended further compensation of £200 saying that £275 for the issues Miss M experienced is fair and reasonable.

Mrs M disagreed and requested an ombudsman review the complaint. She said Miss M was affected when asked by NS&I to complete a sum on a call and her confidence was knocked. She was also worried about the prospect of having to see a doctor. Mrs M said Miss M often withdraws cash and speaks to various bodies without having to prove her competence. Mrs M said she was also affected as Miss M's trust in her was compromised by NS&I.

Mrs M said she's out of pocket for the cost of about £2,000 she paid to obtain POA although she thought this would be needed at some point. She said without NS&I's pressure she could have arranged POA for about £200. She said NS&I could have asked for proof of Miss M's address. Mrs M said NS&I caused her to use a lot of time and money trying to sort the issues out and obtain a statement of account and NS&I should pay more compensation.

A further investigator obtained the call recording concerning NS&I's questioning of Miss M. She said there was no request from NS&I's agent to complete a sum or any evident distress on the part of Miss M during the call.

### **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 M has brought another complaint to our service concerning NS&I and another of Miss M's investments. This has been considered by our service as a separate complaint with a final decision issued.

I was sorry to learn about the difficulties Miss M has faced in dealing with her NS&I account and the upset that she and Mrs M have described that she experienced when she said she was asked to complete a sum by NS&I. Mrs M has said that the poor and discriminatory service from NS&I affected Miss M's benefits claim as balance information wasn't provided. And Miss M could have obtained more interest from putting her funds into an alternative investment had access to her account been provided.

This complaint began in 2024 concerning the difficulty in changing Miss M's address and obtaining the balance of her investments. I agree with Mrs M that had NS&I handled this in a practical way much of what followed in terms of poor service could have been avoided. As the change of address had been notified (though not accepted by NS&I) it was unnecessary to send a letter there. I think the £75 paid by NS&I is fair in this respect. Any concerns Mrs M may have regarding data protection breaches are better suited to the Information Commissioner's Office. They deal with information rights and data privacy for individuals.

I am pleased that NS&I has accepted that it hadn't treated Miss M fairly. I have considered whether the total of £275 compensation recommended by the investigator is fair regarding the service Miss M received and the impact on her. Having done so, I think this amount is about right for what happened, I will explain my reasons.

Mrs M said NS&I requested that she provide a POA or medical evidence to prove Miss M's address in order to provide account information, as NS&I needed information about Miss M's capacity. NS&I say that once a customer reaches the age of 18, if they lack capacity NS&I requires medical confirmation that they aren't able to manage their affairs or a POA, to enable the attorney to manage the accounts.

I understand that Miss M does not lack capacity but needs some assistance which Mrs M has provided. Mrs M has now provided NS&I with a POA, and this has been registered since 2 July 2024. She said this caused her an unnecessary cost of £2,000. I'm unsure how Mrs M was able to assist Miss M with her financial affairs without a POA and she acknowledged

that she thought this would be needed at some point. I see no reason why NS&I should meet the cost of an arrangement which Mrs M will be able to rely on for the long term.

The effect of NS&I's approach to vulnerable customers is that Mrs M couldn't manage Miss M's affairs without a legal appointment, or medical confirmation of incapacity. This blanket approach does not admit of assistance that might be provided by someone close to the customer or reasonable adjustments that might be offered by the business. Mrs M thinks this has led to NS&I discriminating against Miss M.

Protections against discrimination are provided within the law. We aren't the court of law and therefore we can't make a finding on whether NS&I are in breach of the Equality Act 2010. We consider the law when making our decisions and we base our decisions on whether we believe a business has acted fairly. Having done so I agree with the investigator there is nothing to suggest that Miss M couldn't make decisions with the support of her relative and we haven't seen that Mrs M confirmed Miss M didn't have capacity.

The investigator said – and I agree - it wasn't Miss M's responsibility to prove she had capacity. I don't believe that NS&I were able to establish incapacity from Mrs M's letters as they don't confirm that Miss M lacked capacity. NS&I said in response to Mrs M's letter about Miss M's capabilities, it requested medical proof, but said she didn't provide this prior to providing the POA.

Notwithstanding NS&I's duty of care, which it states it can't discharge without medical proof that a customer cannot manage their accounts, I think it could have offered Miss M help to assist her manage her account. Mrs M was recognised by a government department as an appointee for Miss M. NS&I's non-recognition of this appointment is another example of an inflexible approach to assisting vulnerable customers who still have capacity but need some help. I think the investigator's conclusion that NS&I didn't act fairly towards Miss M is correct and the further compensation of £200 is fair and reasonable.

Mrs M has also mentioned the distress caused to Miss M by NS&I asking her to complete a sum on a call in order to determine her capacity to manage her account. NS&I said this is not its policy and it didn't ask this of Miss M.

Our investigator obtained the relevant call recording and set out for Mrs M the security questions put to Miss M, including the balance of her account and maturity date. She said that after some consideration Miss M provided this information, although obtaining this was Mrs M's reason for her enquiry to NS&I in the first place. However, at no stage did NS&I's adviser put a mathematical question to Miss M. There is no evident distress on Miss M's part during the call and I think it was handled professionally by NS&I's adviser.

Mrs M said her original enquiry took place as she was completing Miss M's assessment for her benefits and needed to confirm her savings. She said as a consequence of NS&I's unhelpfulness Miss M lost interest in not being able to reinvest her funds elsewhere. However, Mrs M has held a POA for Miss M since 2024 and has not moved her funds away from NS&I to invest elsewhere and so I find it hard to accept the priority for the funds to receive a higher return before this time.

I was sorry to learn about Mrs M's experience in dealing with NS&I on behalf of Miss M and I can see that she found this extremely frustrating. As the investigator has explained, our service does not have the power to award compensation directly to representatives as they aren't eligible complainants. The eligible complainant is Miss M as she is the customer of NS&I.

### **Putting things right**

Having considered all of the interactions between Miss M, her relative and NS&I I have reached the conclusion that compensation of £275 is a fair and reasonable reflection of the distress and inconvenience that Miss M was put to by NS&I's poor handling of her account.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is upheld. If this decision is accepted, I require National Savings and Investments (NS&I) to pay Miss M a total of £275 compensation (less any sum already paid) in respect of the distress and inconvenience she has suffered from NS&I's poor service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 7 May 2026.

Andrew Fraser  
**Ombudsman**