

The complaint

Mrs S complains that National Savings and Investments (NS&I) mishandled her maturity options on her Indexed-Linked Savings Certificate (ILSC), leaving her disappointed she could not invest the maturity amount as she wished.

What happened

Mrs S held a 3-year ILSC with NS&I that was due to mature on 31 May 2025.

NS&I wrote to Mrs S on 25 April to let her know what her maturity options were and received Mrs S' maturity instructions to withdraw part of her funds and invest the remaining amount into a 2-year ILSC. NS&I wrote to Mrs S and told her that the 2-year ILSC wasn't available to customers who didn't have an existing 2-year ILSC.

On 28 May, NS&I received Mrs S' maturity instruction to withdraw funds from her 3-year ILSC, but as Mrs S hadn't confirmed what should happen to the remaining balance, NS&I contacted her on 2 June to clarify her instructions.

NS&I completed the withdrawal Mrs S had requested and confirmed it had renewed Mrs S 3-year ILSC with the remaining amount on 31 May.

Mrs S complained to NS&I, using a representative (Mr S), on 9 July. Mrs S said she was unhappy with maturity pack NS&I provided as it was confusing – specifically that it didn't make it clear enough that she was not able to invest in a 2-year ILSC.

NS&I did not uphold the complaint, but – as a goodwill gesture – they paid Mrs S £30 because she felt she the need to complain.

Mrs S brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator thought NS&I made it sufficiently clear to Mrs S what her options were, and that her preferred two-year term wasn't one of the options available to her at the maturity of the 3-year ILSC she already held.

Mrs S' representative asked that an Ombudsman decides the complaint and it has been passed to me to consider.

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 understand Mrs S will be disappointed, but I've decided not to uphold her complaint. I will now explain why.

However, before I explain why, I want to make it clear that my role as an Ombudsman is not to address every single point that has been made to date. Instead, it is to decide what is fair and reasonable in the circumstances of *this* complaint. So, if I have not commented on, or referred to, something that either party has said, that does not mean I have not considered it.

It may help if I explain my role is to look at problems that a consumer has experienced and see if the bank has done anything wrong or treated the consumer unfairly.

The maturity letter NS&I sent Mrs S, dated 24 April provides a reasonable summary of the investment she already held and provided a number of options available to her. For the purposes of my decision, I will focus on the option within the letter for Mrs S to choose a different term to the 3-year term of her existing ILSC as this gets to the crux of the complaint.

In the maturity letter NS&I said Mrs S she could chose a different term to the ILSC she already held, but it also drew Mrs S' attention to the additional information regarding this. Specifically, in this respect, NS&I said:

“Option 2: renew for a term of a different length

You can choose to keep your money in Index-linked Savings Certificates but invest for a different length of time. See the enclosed summary box for the terms and rates available.”

The specific section of the summary box NS&I enclosed with the maturity letter says, in respect of a 2-year ILSC, that this term is only available when renewing an existing 2-year Certificate. In this case, Mrs S completed the maturity form to confirm she wanted to withdraw some funds and invest the remaining amount into a 2-year ILSC.

I've carefully considered the maturity documentation NS&I sent to Mrs S. Although I can understand Mrs S is disappointed she couldn't reinvest some of her funds into a 2-year ILSC, unfortunately this was something NS&I wasn't able to offer her at this time, and it was never an option that was available to her.

The maturity documents NS&I sent Mrs S explained the options available to her at the time, and they specifically referred her to the summary box that was enclosed with the maturity letter. And, in my opinion, I'm persuaded that NS&I took reasonable steps to make Mrs S aware that she could only reinvest into a 2-year ILSC if she held a maturing 2-year ILSC.

So, I don't think NS&I did anything wrong here.

When NS&I received Mrs S' first maturity form, requesting some of her funds be invested into a 2-year ILSC, there doesn't seem to be any dispute that they wrote to Mrs S to explain she could not reinvest into a 2-year ILSC. And, when Mrs S submitted a new maturity form, she requested a different amount to be encashed but didn't confirm a term on the maturity form for the remaining balance. So, NS&I wrote to Mrs S to seek clarification of the term she wanted.

At this time, Mrs S had the option to reinvest some or all of her maturing ILSC into a 3-year or 5-year ILSC, as NS&I explained in the summary box I've already referred to. It was simply the 2-year ILSC that wasn't available to her.

So, I don't think it was unreasonable for NS&I to attempt to further clarify Mrs S' intentions at this time. But, regardless of this, when Mrs S called NS&I on 2 June and clarified what she wanted to do with her maturing ILSC, NS&I obtained the clear instruction they required from her and invested the amount she wanted to reinvest into the 3-year ILSC. And, importantly, as the investment date in the new ILSC was backdated to the maturity date of the ILSC she had held, I don't think Mrs S was disadvantaged.

Although I've seen that NS&I paid Mrs S £30 because she felt the need to complain, I won't be asking NS&I to do anything else as I don't think they did anything significantly wrong.

Mrs S's representative believes that NS&I should review its maturity form and letter to make them less confusing for consumers. It's not the role of the Financial Ombudsman Service to tell a business what information it must provide a consumer or how this information must be provided. That's a role for the regulator of NS&I, which in this case is the Financial Conduct Authority (FCA). My role is to consider the service provided by NS&I and I haven't found that the letters and forms they provided were so unreasonable that they would confuse a consumer. If Mrs S or her representative have any ongoing concerns about the format of letters and forms NS&I provided, they may want to share their concerns with the FCA again.

My final decision

For the above reasons, I won't be asking National Savings and Investments to do anything else to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 13 May 2026.

Paul Lawton
Ombudsman