

## **The complaint**

Mr P complains that National Savings and Investments (NS & I) rejected his application for Premium Bonds and then caused substantial delay in refunding his money.

## **What happened**

Mr P applied to NS & I for £50,000 worth of Premium Bonds in August 2025. He provided a banker's draft for payment. NS & I asked him to provide further evidence of his address as it included a PO Box number. As he lives abroad the letter didn't reach him in time and NS & I closed the application.

It sent Mr P his money back by BACS transfer, but as it had originally come from a Building Society NS & I recognised this wasn't appropriate. It was rejected and NS & I then spent some time tracing the payment. It set up the Premium Bonds in November 2025. It agreed that the Bonds would be made retrospectively eligible for the prize draw as if purchased in August 2025.

NS & I paid Mr P £100 in retrospective prizes. It also paid him £75 compensation. It offered to increase that by £350 to reflect the distress and inconvenience caused to him.

Mr P claimed to have spent £575 in overseas call charges. He also didn't think NS & I had checked his Bonds against the previous draws as the amount paid didn't reflect the prizes he should have won. He also claimed a payment of 8% interest as he could have invested the £50,000.

On referral to the Financial Ombudsman Service, our Investigator said that the compensation payment offered by NS & I was reasonable. He further said that without a breakdown of the charges he couldn't recommend that NS & I pay Mr P's overseas call costs.

Mr P didn't agree and the matter has been passed to me for an Ombudsman's consideration.

## **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.

Firstly I can't say that NS & I was wrong to reject the initial application. Its guidelines clearly require that if the customer uses a PO Box number they would need to show that they actually owned the box. I understand that Mr P now says that he didn't need to use the PO Box number at all, but that wasn't NS & I's understanding at the time.

I do think that NS & I was responsible for the delay in Mr P having his money returned to him. Firstly it wasn't appropriate to send it back via BACS. Subsequently it took some time for it to find Mr P's money on its system. Considering it was such a large sum of money I do understand that this would have caused Mr P a fair degree of distress and inconvenience, both in not knowing where his money was and having to chase the matter up.

As regards compensation, the aim is to put Mr P in the position he would have been had he been able to buy the Premium Bonds in August 2025, as was his intention. The return on Premium Bonds is entirely prize money; he wouldn't have expected to earn interest. The Premium Bonds were not eligible for the draw straight away but had to wait a full calendar month before this could happen. In Mr P's case this meant that the earliest draw his bonds would have been eligible for was the October draw.

I'm aware that Mr P doubts that NS & I made the bonds eligible for the draw. I understand all the numbers are generated at the beginning of every month, whether or not the bonds were eligible. NS & I has confirmed to us that Mr P's numbers were retrospectively checked by 5 November. Mr P was sent £100 consisting of four Bonds each winning £25. He's pointed out that in respect of the list that he has downloaded from NS & I's website, his numbers don't appear. I understand that though that would indicate that his Bonds hadn't won any prize, not that NS & I has deprived him of a payout.

I understand also that Mr P has won higher prizes for his bonds since then but as the numbers are generated entirely randomly, the possibility of winning a prize would likely even out over the year.

In respect of overseas call charges Mr P has sent us a copy of his bill for December 2025 though this doesn't show call charges or any costs for the time he spent on the phone to NS & I or his Building Society. He's also sent us a copy of a webpage setting out typical call charges from where he lives, again that doesn't help to show any costs Mr P actually incurred. As far as I'm aware most phone providers will give an itemised breakdown of individual call costs. The best I can do is ask NS & I to consider the call costs if Mr P is able to produce evidence of them.

So overall I think that NS & I has offered a reasonable amount of compensation.

### **My final decision**

NS & I has already made an offer to pay a further £350 to settle the complaint and to consider any overseas call costs on receipt of a breakdown of the call charges. I think this offer is fair in all the circumstances.

So my decision is that National Savings and Investments should pay £350 and consider payment of the call charges on receipt of evidence as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 April 2026.

Ray Lawley  
**Ombudsman**