

complaint

Mrs M complains that National Savings and Investments (NS&I) isn't consistent when it deals with applications to open Children's Bonds. When she tried to open an additional bond for her son it lapsed because NS&I asked for proof of identity and address which "were too onerous and costly" But when she made the same application a year later for her daughter it was approved without any need for proof of identity and address.

background

Other members of Mrs M's family have made similar applications and were treated differently. She is also unhappy that certain close members of the family are not able to pay into bonds or certify documents. She said other organisations don't have the same rules. She is concerned she hasn't had any formal notification that her daughter's application for a new bond has been approved. She wants NS&I to acknowledge the problems parents face when opening a bond and she wants it to change its procedures. NS&I said the changes to the Children's Bonds are part of its ongoing modernisation programme. They couldn't comment on other applications to purchase bonds.

The adjudicator didn't recommend the complaint should be upheld. He accepted that NS&I had sent Mrs M conflicting information but he said it hadn't caused any loss. He also thought that the processes Mrs M was concerned about were internal processes and were not matters we could interfere with. Mrs M wasn't happy about this. She said her main concern was the inconsistency of NS&I procedures. She was also concerned about the lack of information about the approval of her daughter's bond application.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mrs M is very unhappy about the processes NS&I is using to open Children's Bonds. In particular she is unhappy that it doesn't apply those processes consistently. But I'm satisfied NS&I is entitled to make its own decisions about how it operates and we don't have the power to interfere with that. In complaints such as these, we have to decide if NS&I has made any error in how it's operated its processes. If it hasn't made any error we can't go on and compare those processes with other applicants or organisations. That's why the adjudicator mentioned the FCA, who is the regulator, and who can decide if NS&I is operating its processes inconsistently and unfairly.

In deciding if NS&I is at fault when it dealt with Mrs M's application I have looked to see if it followed its own internal process and if it was fair and reasonable for it to do so. It said that checks had not previously been carried out for Mrs M's son so I, like the adjudicator, don't think it's unreasonable for it to request some form of identification. It is a matter for NS&I what documentation it requires. Other organisations may have different requirements but that does not mean that NS&I have made any error in requesting a particular form of identification.

Also I note that Mrs M hasn't received formal notification that her daughter's bond has been opened but NS&I have sent a record of investment which shows the new investment.

Mrs M feels very strongly about this so I know my decision will come as a disappointment to her but in light of the rules under which this Service operates I can't find NS&I is at fault.

my final decision

My 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 29 December 2015.

Linda Freestone
ombudsman