

The complaint

Mr H is unhappy with how National Savings and Investments (“NS&I”) administered the new product application he attempted to make with them.

What happened

Mr H lives works overseas, and while overseas wanted to open a three-year NS&I Green Savings Bond which benefitted from an interest rate of 5.7%. Because Mr H was overseas, he had to telephone NS&I to open the Bond, which he did on 27 October 2023.

As part of the Bond opening process, Mr H was required to upload two documents for NS&I to review. Mr H had difficulty uploading the documents to NS&I’s online portal and he had to call NS&I again on 27 October 2023 in relation to this. But by the evening of 27 October 2023 Mr H believed that both documents had been successfully uploaded to NS&I and that the money that he had transferred to NS&I had been invested in the newly opened Bond.

However, NS&I had only received one of the two required documents from Mr H, with the upload process for the second document not completing successfully. This meant NS&I were unable to open the Bond as Mr H wanted. And on 29 December 2023 – over two months after Mr H called them – NS&I sent a message to Mr H advising him that they had been unable to open the Bond because they hadn’t received the required information from Mr H to do so. NS&I then returned Mr H’s uninvested money back to him.

Mr H wasn’t happy about what had happened, so he raised a complaint. NS&I responded to Mr H but didn’t feel they’d acted unreasonably by following the process they had. Mr H wasn’t satisfied with NS&I’s response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They felt that NS&I could and reasonably should have notified Mr H when only one of the two required documents was received by them, which our investigator felt would have prompted Mr H to have resubmitted the document and prevented the non-investment of his money.

Because of this, our investigator said that NS&I should allow Mr H to open the three-year Green Savings Bond with a 5.7% interest rate and make a payment to Mr H of £100 as compensation for any trouble or upset he’d incurred. NS&I didn’t accept the view of this complaint put forward by our investigator, so the matter was escalated to an ombudsman 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 issued a provisional decision on this complaint on 12 September 2024 as follows:

NS&I have explained that in instances where one of the two required documents is received by them from the customer, but where one document remains outstanding, their process is

that they don't send any form of chaser to the customer for the missing document.

It isn't in this service's remit to instruct a business to change its policies or processes. But it is within the remit of this service to uphold a complaint where the following of an established process by a business has led to an unfair outcome. And this is what I feel has happened in this instance.

Ultimately, I don't feel that it was unreasonable for Mr H to believe that he'd submitted both the required documents by the evening of 27 October 2023. And had NS&I sent a notice or reminder to Mr H that one of the required documents was still outstanding and hadn't been received by them – as I feel that they could and reasonably should have done – then I feel that it's highly likely that Mr H would have resubmitted that required document such that this entire complaint may well have been avoided.

NS&I have said that they sent a reminder email to Mr H, which means that he was asked to upload his documents by them twice. But NS&I have provided this service with both a timeline of events and a copy of their system logs for Mr H. And both sets of information as provided by NS&I confirm that following Mr H contacting them to open the Bond on 27 October 2023, that NS&I didn't then contact Mr H again until 29 December 2023 – the day they closed Mr H's Bond application.

Ultimately, considering all the evidence submitted to this service by both Mr H and NS&I, I feel that NS&I have acted unfairly towards Mr H by not notifying him that a required document remained outstanding as I feel that they could and reasonably should have. And because of this I'll be provisionally upholding this complaint in Mr H's favour.

The reason I've issued this decision in a provisional basis is because I want to make it clear that my provisional instruction to NS&I is that they must open a three-year Green Savings Bond with an interest rate of 5.7% backdated so that the opening date that of that Bond is what it would have been, had Mr H successfully provided both documents to NS&I on 27 October 2023.

However, I note that because Mr H wasn't able to submit the required documents successfully, he didn't receive any form of confirmation from NS&I that the Bond had been opened. And I feel that having not received any such confirmation, that this reasonably should have prompted Mr H to have checked whether the Bond had been opened, and if not, whether any further action was required from him.

But I don't feel that Mr H not checking that the Bond had been opened fairly absolves NS&I of what I feel is the reasonable expectation that they would have reached out to Mr H in some way when only one of the two required documents was received from Mr H. But it does mean that I feel that Mr H should bear some responsibility for what happened here.

Because of this, I don't feel that NS&I should fairly be instructed to pay any form of compensation to Mr H, and so I won't be including the £100 compensation payment as recommended by our investigator in my provisional instructions. And this means that my only instruction to NS&I is that they must open a backdated Bond for Mr H, as described above.

Mr H responded to my provisional decision and confirmed that he was in acceptance of it. Conversely, NS&I did not provide any response. As such, I see no reason not to issue a final decision here whereby I uphold this complaint in Mr H's favour on the basis explained above. And I therefore confirm that my final decision is that I do uphold this complaint in Mr H's favour on that basis accordingly.

Putting things right

NS&I must open a three-year Green Savings Bond with an interest rate of 5.7% backdated so that the opening date that of that Bond is what it would have been had Mr H successfully provided all necessary documents to NS&I on 27 October 2023.

My final decision

My final decision is that I uphold this complaint against National Savings and Investments on the basis described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 October 2024.

Paul Cooper
Ombudsman