

The complaint

Mr and Mrs W complain that National Savings and Investments (NSI) sent letters and a prize warrant addressed to a third party to their address and misled them about the amount of savings they had.

What happened

In November 2022 Mrs W wrote to NSI querying why she had received a £50 warrant. And NSI replied that, it had no accounts registered in respect of the number she quoted.

Mr and Mrs W were obviously upset by this because they had substantial savings with NSI. Mr and Mrs W subsequently received correspondence addressed to a third party that they had no connection with. In a final response in December 2022, NSI reiterated that it had no open accounts in their names.

After Mrs W queried this, on 4 January 2023 NSI replied to advise that it did have accounts in their names and sent the full details of those accounts. It had previously only checked the reference number Mrs W had given, which was for a closed account. The £50 payment related to a previous complaint. As the third party seemed to have an account number that related to their accounts, Mrs W continued to query this and was concerned that their savings had been transferred into another person's name. They had also received redirected correspondence that had initially been sent to another unrelated third party. NSI assured Mrs W that that an account couldn't be transferred to another person and sent her a warrant for £500 compensation, which Mrs W says they have not received.

Mrs W made a complaint to the Information Commissioner's Office (ICO) following this. NSI provided a full explanation, that the third party's address had been mistakenly linked to Mr and Mrs W's address in 2019 and the error had been repeated because someone in its office had mistakenly transposed the address again. It said it wouldn't happen again. With regard to Mr and Mrs W's correspondence that had been sent to a different third party, NSI said this was the fault of the Royal Mail, as that third party's address wasn't on its records.

Unfortunately, and before its systems were updated, Mr and Mrs W received a prize warrant in the original third party's name in April 2023. NSI sent Mr and Mrs W a warrant for a further £100 compensation, explaining that it hadn't been able to update its system before the third party won a prize.

Our Investigator considered the matter and thought that NSI's actions in dealing with their errors and paying compensation were reasonable.

Mr Mrs W said they had further complaints, in that they had attempted to make further withdrawals but had not received any payments and that they had still not received the compensation.

The matter has been passed to me for further 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.

In this decision I am dealing with Mr and Mrs W's complaint about being given wrong information and about receiving letters and a prize warrant addressed to a third party. In respect of their complaints about further withdrawals, they will need to address these to NSI, although I note that our Investigator has helped them with this.

I can understand that Mr and Mrs W would have been shocked to receive letters from NSI advising them that it held no accounts for them. This was compounded by the fact that they received correspondence addressed to a third party which was a repetition of the error made in 2019. As they had substantial savings with NSI it must have been very worrying for them over the Christmas period.

I think that NSI has adequately explained its error, which must have been concerning to the third party as well. As NSI has now set out in full to Mr and Mrs W the various savings accounts they have with it and that they can't be transferred to other parties, I think they can be assured that their savings are still there and in their names. I understand that Mrs W says it affected their health. Nevertheless and taking that into consideration, I think the £500 compensation NSI paid was fair and reasonable in the circumstances of this case.

Having said that, I see that after having assured Mr and Mrs W the error had been fixed, a prize warrant addressed to that third party was received by them. It has paid a further £100 compensation because of this.. I know that Mr and Mrs W reported their concerns to the ICO before this later error. And if they wish to, they can report that further error, although the ICO doesn't award compensation to consumers. I think that the further compensation paid by NSI was fair and reasonable. At this stage I have to accept NSI's assurance that there will be no further repetition of the error.

I'm disturbed to note that Mr and Mrs W have apparently not received the two compensation payments. As both warrants have now expired, assuming they still haven't been received, NSI should reissue the warrants. As Mr and Mrs W can't use the telephone and don't want to do anything online they will have to be sent by post. I don't know if NSI has a facility for sending them by recorded delivery, but if it has, it should do so.

My final decision

National Savings and Investments has already agreed to pay Mr and Mrs W £600 compensation.

So my decision is that National Savings and Investments should pay Mr and Mrs W £600.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 22 November 2023.

Ray Lawley

Ombudsman