

The complaint

Mr B has complained National Savings and Investments (NS&I) have inadequately compensated him for problems he had with their customer service. He's also concerned they won't refund money he believes was stolen from his account.

What happened

Over the last year, Mr B discovered that his NS&I account was transferred into his brother's name. They have the same first initial, and of course surname. He believes this limited his access to his account.

As Mr B got his historical account records from NS&I, he became aware of a large withdrawal made in May 1992. As he was young at the time, he was sure this hadn't been him so asked NS&I to investigate this and refund him.

NS&I held limited information about any withdrawals made over 30 years ago so weren't able to confirm to Mr B how this was made. However they believed this must have been done by an authorised parent or guardian in line with their normal procedures.

Mr B was dissatisfied with both the compensation he'd been offered for two data breaches and believed NS&I should refund the money taken out of his account in full, along with appropriate interest. He brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. She told Mr B there was no evidence from the time of the transactions which would confirm the money had been taken out without authorisation. She also thought the compensation of £175 in total was fair.

Still unhappy, Mr B has asked an ombudsman to consider his complaint.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Mr B has provided pages of evidence from his data subject access request with NS&I. I can reassure him that I've reviewed this in full. I've also considered all of the different aspects of his complaint. I will deal with the data breach aspects firstly.

Data breaches

There's no dispute NS&I made a mistake. They allocated Mr B's account to his brother's record in error which limited his ability to access his account. They also subsequently sent Mr B's brother generic interest rates on historical NS&I accounts rather than Mr B.

I appreciate why Mr B found this annoying and was irritated by what he thought was NS&I's unwillingness to note the seriousness of the situation. I believe he feels that because his

account was transferred to his brother, then NS&I saw this as less serious than if his account had been allocated to an unknown third party. My role is to consider the impact on Mr B rather than the seriousness, or otherwise, of the data breaches.

I've considered this in detail, but I've seen nothing which shows this limited Mr B's ability to transact. His data was breached, but NS&I sorted this out and paid Mr B £125 for this error.

I don't believe the provision of historical interest rates information to his brother would require additional compensation as I'm unable to identify the impact this has had on him. Mr B should note I don't wish to trivialise what happened, just that I'm not convinced NS&I should pay him additional compensation.

It is not my role to fine an institution for data breaches as that's the responsibility of the Information Commissioner's Office. So overall I think the level of compensation is fair and reasonable.

Withdrawal from Mr B's account

In current times there is legislation covering the authorisation or otherwise of payments and withdrawals made from accounts. These didn't exist in 1992. But when considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time. I have done that here.

Again I can see that all parties can identify £5,329.81 was withdrawn from Mr B's NS&I account on 11 May 1992. This is shown on a copy of Mr B's passbook that he shared with us.

Because of the time that has passed, NS&I isn't able to identify how or by whom the account was opened. There is no requirement on financial institutions to hold records for the length of period that would be required here to evidence what happened. I appreciate how frustrating this must be, but I don't think NS&I has done anything wrong.

It's clear this wasn't opened by Mr B himself as he was only a child and he's told us his parents were unaware of the account. This does suggest it may well have been opened by other relatives, possibly grandparents, and put in Mr B's name.

NS&I has confirmed that a withdrawal form must have been completed in accordance with their procedures at the time. Unfortunately but unsurprisingly this no longer exists. Whilst a 7 year-old would have had authority to make withdrawals during this time period (although rules have changed since), I think it's unlikely Mr B did this himself. He may well, however, have been present when this was done. Understandably he can't recall this.

I appreciate why Mr B believes money was stolen from his account but there is no evidence to suggest this. I'd have to wonder why anyone would have allowed £5,329.81 (a very specific amount) to be withdrawn without authority and it's clear the passbook was present. This very much suggests this wasn't an unknown third party. So I don't think the withdrawal took place without appropriate authorisation, although I admit I can't say this for definite.

NS&I gave Mr B £50 for the issues around this aspect. Whilst Mr B may feel he's lost out, I don't think so. Therefore this compensation seems more than fair and reasonable.

Based on what I've considered, I won't be asking NS&I to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Mr B's complaint against National Savings and Investments.

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

Sandra Quinn
Ombudsman