

The complaint

Ms K complains that National Savings and Investments (NS&I) did not transfer her savings with them to another account they advertised.

What happened

Ms K says that she rang NS&I on 5 October 2023, and she asked NS&I questions about her Investment Account she held with them, including what the balance was and the interest, but the call handler wasn't helpful. She rang NS&I back later that day and spoke to another call handler about opening a Guaranteed Growth Bond (GGB), and the call handler sent Ms K the relevant form to open this account. NS&I withdrew the GGB from sale the next day though.

NS&I had a grace period of 16 October 2023 for them to receive applications from people who wished to apply by post. Ms K completed the application form and sent it back to NS&I, dating it 15 October 2023. But NS&I said they were unable to open the account for her as they received the form on 27 October 2023. Ms K made a complaint to NS&I.

NS&I partially upheld Ms K's complaint and they said they issued her a warrant for £50. They said the transfer form was completed and signed on 15 October 2023, but regrettably this is not within a reasonable timeframe for them to receive and process her application before the grace period ended, and due to this they were unable to honour the transfer of funds. They said all of their customer service representatives are trained to deliver a high level of service and they apologised for her recent experience not reflecting this. Ms K brought her complaint to our service.

Our investigator said he thought the £50 compensation was fair. He said NS&I did nothing wrong in sending out the switch form for Ms K's postal Investment Account, they were entitled to withdraw the GGB from sale, and also to reject her application as it was received on 27 October 2023 which was past the grace period for applications. Our investigator said that the delay in her receiving post, and any delay in the post Ms K subsequently sent back, was down to the postal services and he couldn't hold NS&I responsible for them. Ms K asked for an ombudsman to review her 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.

I'd like to explain to Ms K that it is not within this service's remit to tell a business how they should run their account opening procedures, such as when they should take products off sale, how long a grace period they should offer (if any), or to accept applications after the grace period. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct NS&I to make changes to their policies and procedures, if necessary.

I've listened to the original phone call that Ms K made to NS&I. Ms K was wanting

information about her balance and the interest earned on the account, but the call handler was unable to give Ms K her balance due to the account being a postal account, but he did offer to send the statement through the post for Ms K.

While Ms K was audibly frustrated with this as she needed the information for her tax deadline, this account couldn't be managed online or over the phone, and the call handler said they couldn't offer advice on products. The call handler did explain what the interest rates were on the account. NS&I paid Ms K £50 for how this call went as they said their customer service representatives are trained to deliver a high level of service and they said her recent experience did not reflect this. Based on this call, I'm not persuaded further compensation is proportionate for the service on this call.

Ms K gives NS&I a call later that day. NS&I were unable to locate a call recording for this call, so I'm unable to listen to what was said on the call. But Ms K was sent a form to switch to a GGB. At the time the form was sent, this product was on sale. But the product was removed from sale the following day. I've looked at the key features and customer agreement of the GGB to see if NS&I should've given notice to remove this product. But this document shows "*We can withdraw any Issue from sale without notice*". So I can't say NS&I made an error by removing this product without notice.

NS&I had a grace period to receive applications by 16 October 2023 for applications made by post, such as Ms K's application. It is a commercial decision for NS&I if they make a grace period available, and how long this period is. Here, it was 10 days from when the product was removed from sale. I'm not persuaded that this was an unreasonable grace period.

Unfortunately, Ms K didn't receive the forms until she completed them on 15 October 2023, and NS&I didn't receive her completed form until 27 October 2023, which was 11 days after the grace period had ended. As such NS&I did not accept the application to switch into the GGB.

While I have a great deal of sympathy for the position that Ms K found herself in here, as she couldn't control how long post took to arrive at her address, this was also outside of NS&I's control. I'm unable to conclude that NS&I should have accepted her application when they didn't receive the application form by 16 October 2023. The key features of the GGB states "*Your agreement with us starts when we tell you that we've accepted your application*", so despite Ms K dating the form 15 October 2023, NS&I didn't accept the application due to when they received it. So it follows I don't require NS&I to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 17 April 2024.

Gregory Sloanes
Ombudsman