

The complaint

Miss V is unhappy that National Savings and Investments (“NS&I”) didn’t contact her about her matured investment for several years.

Miss V’s complaint is brought to this service by her authorised representative, her father.

What happened

In June 2011, when Miss V was seven years old, her father purchased a £15,000 five-year index linked Savings-Certificate (“ILSC”) from NS&I on Miss V’s behalf, with a maturity date of June 2016.

In May 2016, shortly before Miss V’s ILSC was due to mature, NS&I wrote to Miss V (who at that time was twelve years old) and explained that NS&I had changed the terms of the ILSC such that children under the age of 16 could no longer hold ILSCs once they reach the end of their current investment term. This meant that when Miss V’s ILSC matured in June 2016, she wouldn’t be able to reinvest her money into a new ILSC. And NS&I’s letter also explained that if Miss V didn’t contact NS&I about her maturing ILSC, the matured funds would be placed into a low interest residual account until Miss V did contact NS&I.

Miss V never received the pre-maturity letter that NS&I sent in May 2016 and so didn’t contact NS&I about her invested funds. This meant that, when the ILSC matured in June 2016, NS&I placed Miss V’s money in their low-interest residual account, where Miss V’s money remained for several years.

NS&I didn’t send any further correspondence to Miss V about the status of her funds until August 2019, when they wrote to Miss V (who at that time had just turned 16) and explained that she held an account with them that she was now able to manage herself. However, once again, Miss V didn’t receive this letter.

In July 2020, Miss V called NS&I and asked about her investment with them. At that time, NS&I’s agent explained to Miss V that her money was with NS&I but was unable to confirm the balance of Miss V’s funds or where her money was held. Shortly afterwards, NS&I received an application from Miss V to register for online and telephone access to her NS&I account and NS&I sent Miss V a password to allow her to activate online and telephone account access. But Miss V didn’t use the temporary password that had been sent to her and so her online and telephone account access was never activated.

Finally, in August 2023, NS&I received a request from Miss V to provide a statement of her account. NS&I sent an account statement to Miss V which confirmed the balance of her account as being £17,144.06. Miss V wasn’t happy about this and felt that the value of her investment had suffered significantly because her money had been in a low interest-bearing residual account since June 2016. So, she raised a complaint.

NS&I responded to Miss V and confirmed that they’d written to her in advance of the maturity of her ILSC in 2016 and so didn’t feel that they’d done anything wrong regarding how they’d administered Miss V’s money. Miss V remained dissatisfied, so she referred her complaint to

this service.

One of our investigators looked at this complaint. But they didn't feel NS&I had acted unfairly in how they'd managed the situation and so didn't uphold her complaint. Miss V remained dissatisfied, 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.

Having done so, I note that Miss V and her father have provided several detailed submissions to this service regarding Miss V's complaint. I'd like to thank Miss V for these submissions, and I hope she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Miss V notes that I haven't addressed a specific point she's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Miss V and NS&I. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

When the £15,000 ILSC was first purchased for Miss V in 2011, Miss V was seven years old, and the purchase was undertaken by her father on her behalf. And it also must be noted that Miss V's father and mother also made similar five-year ILSC purchases in their own names at that same time. This meant that Miss V's family purchased three separate five-year ILSC's in 2011 – for Miss V, her father, and her mother – all of which had the same maturity date.

I feel that this is important because in 2016, when Miss V's ILSC matured, she was only twelve years old, meaning that her finances were still being managed by her parents. And, given that Miss V's parents had their own ILSC's that were maturing at the same time as Miss V's ILSC in June 2016, I find it difficult to understand how they could have forgotten about the maturity of Miss V's own ILSC as they appear to have done.

Miss V's father has asked, given that Miss V was only twelve at the time of the maturity of the ILSC, why NS&I didn't write to him or to Miss V's mother about the impending maturity of Miss V's ILSC. I can appreciate Miss V's father's concern here. But the pre-maturity letter that NS&I sent to Miss V asked Miss V to show the letter to her parents (who, I feel it's reasonable to assume, would most likely have been aware of incoming post addressed to their twelve-year-old daughter). And because of this, I don't feel that NS&I acted unreasonably or unfairly by addressing the letter to Miss V directly as they did.

Additionally, Miss V's father has explained that Miss V never received the pre-maturity letter that NS&I sent. The non-receipt of this letter means that it's effectively irrelevant to whom that letter was addressed – given that regardless as to how it was addressed, it wasn't received.

I'm satisfied from the information NS&I have presented to this service that they did send the letter and that it was addressed to Miss V correctly using the address Miss V's father had registered with them. And while I don't doubt Miss V's father's testimony that Miss V never received this letter, I wouldn't hold NS&I accountable for the non-delivery of correctly sent mail, given that delivery of mail is undertaken by a postal service over which NS&I have no direct control.

Perhaps most importantly, given that Miss V was a minor when the ILSC was purchased in 2011 and when it matured in 2016, I feel that it was the responsibility of Miss V's parents to have monitored her investment with NS&I and to have been aware of when that investment was due to mature – especially as Miss V's parents held similar investments over the same investment term themselves. And I don't feel that it can fairly or reasonably be considered to be NS&I's fault if Miss V's parents forgot about or neglected to monitor the investment they made for their daughter, as I feel it is reasonable to conclude may have been the case here.

Miss V's father has asked why NS&I didn't send any further correspondence to Miss V about her matured investment as a reminder that her money was sitting in a low interest-bearing residual account. I can appreciate Miss V's father's point here, and I agree that it would have been preferable if NS&I had sent some form of reminder to Miss V on an annual or bi-annual basis. However, I don't feel that the fact that NS&I didn't send such reminders overrides what I feel was the greater onus on Miss V's parents to have monitored their daughter's investment and to have been aware of the status of it, as previously explained.

However, I feel that the responsibilities surrounding Miss V's money changed in August 2019, when NS&I wrote to Miss V after she had just turned 16 and at which time Miss V became able to manage her NS&I account herself.

NS&I have explained that they sent a letter to Miss V in August 2019, but that their process in such circumstances doesn't include sending any follow up letters if no response is received to the first sent letter. This doesn't feel fair to me, primarily because there's been a change to who can now manage the account and because there's no guarantee that Miss V was reasonably aware that she held an NS&I investment when she turned 16 – given that it was applied for when she was seven years old.

Accordingly, in consideration of the fact that Miss V might not have received the singular letter that NS&I sent to her in 2019, I feel that it was incumbent on NS&I to have made additional attempts to have contacted Miss V and to ensure that she was made aware of the status of her investment. And this is especially the case given that Miss V's money had been sitting in a low interest residual account since June 2016.

Matters are then complicated further by the fact that Miss V did call NS&I in July 2020 and was told that her money was with NS&I but that no further information could be provided to her. Having made this call, I feel that Miss V was undisputedly aware that she held an investment with NS&I. And, having been made aware that she had an investment with NS&I, I feel that the onus was then on her to have continued to have engaged with NS&I and to have pressed for a clear understanding of the status of her money – including that it was held in a low interest residual account and had been for several years.

But while Miss V did request a password from NS&I to enable her to access her NS&I account online and via telephone at that time, she didn't subsequently use the password that NS&I sent to her. Ultimately, Miss V didn't continue to engage with NS&I in July 2020. And it wasn't until over three years later, in August 2023, that Miss V contacted NS&I again and finally obtained a clear understanding of her investment with them. And I don't feel it can fairly or reasonably be concluded that NS&I were to blame for Miss V's lack of engagement with them during this period.

All of which means that I feel that there are three distinct periods during the timeframe of this complaint during which I feel different parties bore a responsibility for the fact that Miss V's money wasn't earning as much as it reasonably could have been.

The first of these periods is from the time that Miss V's ILSC matured in June 2016 until NS&I wrote to Miss V in August 2019. During this time, when Miss V was a minor, I feel that

it was Miss V's parents' responsibility to have monitored the ongoing status of their daughter's investment.

The second of these periods is from when NS&I wrote to Miss V in August 2019, after she had turned 16, until Miss V called NS&I in July 2020 and became undisputedly aware that she held an investment with them. And for this period, I feel that the onus was fairly on NS&I to have been more proactive in their attempts to contact Miss V and ensure that she was aware of an investment she held with them about which she might not have been aware.

Finally, the third period is after Miss V called NS&I in July 2020 until she contacted NS&I again in August 2023 and until she eventually cashed out her investment with them. And during this period, given that Miss V was undisputedly aware that she held an investment with NS&I from July 2020 onwards, I feel that it was Miss V's responsibility to have ensured that she did have a clear understanding of the status of her investment and to have acted if she wasn't happy about it.

Accordingly, for periods one and three as I've described them above - wherein I feel that Miss V's parents and Miss V herself respectively should bear the responsibility for what has happened here – I don't feel that NS&I have acted unfairly.

But, as explained, regarding period two – August 2019 to July 2020 – I do feel that NS&I should fairly have made more attempts to have contacted Miss V than they did. And this is regardless of NS&I's own policies surrounding such circumstances.

I've therefore considered whether NS&I should be instructed to pay Miss V any loss of potential investment income or compensation for this period. However, I feel that it's important to remember that when Miss V did become aware that she held an investment with NS&I in July 2020, she didn't continue to engage with NS&I at that time and she didn't press for or develop an understanding of her investment with NS&I for several years.

Because of this, I don't feel it can fairly be assumed that Miss V would have engaged with NS&I about her investment, even if NS&I had made further attempts to contact her and had those attempts been successful. And I also don't feel that there's any reasonable guarantee that any further contact attempts NS&I might have made would have been successful, given that the letters they sent to Miss V in 2016 and 2019 weren't received by her. And I also don't feel that Miss V's parents were fairly or reasonably fully absolved of their own responsibility to have been aware of the status of Miss V's investment, and to have informed Miss V about it, following her sixteenth birthday.

Accordingly, I don't feel that NS&I should fairly be instructed to pay any potential loss of investment earnings or compensation to Miss V in relation to period two or regarding this complaint in general. Rather, while I feel that NS&I should have been more proactive in their attempts to contact Miss V following her sixteenth birthday, I feel that it's fair that the onus should be considered to have been first on Miss V's parents, and then on Miss V herself, to have ensured that the ongoing status of Miss V's investment was understood and to have done something about it if they weren't happy with it.

I realise this won't be the outcome Miss V was wanting here, but it follows from all the above that I won't be upholding this complaint or instructing NS&I to take any further or alternative action. I hope that Miss V will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 3 April 2024.

Paul Cooper
Ombudsman