

The complaint

Mr H complains that National Savings and Investments (NS&I) delayed his withdrawal request.

What happened

Mr H completed a form to withdraw £20,000 of his Premium Bond holdings and he sent this to NS&I on 5 May 2023, but he didn't receive a response from them, so he sent them further completed cash in forms on 22, 27 and 29 May 2023. Mr H also asked them to raise a complaint for him.

NS&I upheld Mr H's complaint. They said in February 2023, there was a query about his signature, and they determined that the specimen provided was a progression from previous ones. Their records were noted accordingly so when he applied to cash in funds in April 2023, the payment was processed in a timely fashion.

NS&I apologised for the delay, and they confirmed that the transaction was processed on receipt of his duplicate withdrawal form and the funds reached Mr H's account on 30 May 2023. NS&I said if they had processed his original form then the money would have reached his bank account on 11 May 2023. They said they arranged a payment of £133.29 which comprised of £50 as an apology for the delay, and £83.29 for 19 days interest at 8%. Mr H brought his complaint to our service.

Our investigator did not uphold Mr H's complaint. She said while it was reasonable for NS&I to query a signature to protect customers and their money, on this occasion she agreed that NS&I should have acknowledged the records of Mr H's signature and the previous query, and there wasn't a reasonable reason for the request to have been sent to their High-Risk Transaction Team. She said the compensation awarded by NS&I was reasonable and in line with what our service would recommend. Mr H asked for an ombudsman to review 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.

On 9 May 2023, NS&I received the required completed form that Mr H sent to them on 5 May 2023. While they had a query over the signature on this form, and they would have a duty of care to establish that it was genuinely Mr H who had made the request, they reasonably ought to have known that it was Mr H based on the query they had with his signature in February 2023.

So Mr H should not have been inconvenienced by having to send them another form for NS&I to action the withdrawal, which NS&I did when they received the form Mr H sent them on 22 May 2023. NS&I received this on 24 May 2023, they issued the payment on 25 May 2023, and they said this credited his account on 30 May 2023.

So I've considered what would be a fair outcome for this complaint. I'm satisfied that NS&I were fair to realise that Mr H could have lost out on interest if he was to deposit the £20,000 into another account. So they paid our standard award of 8% interest on the delayed funds which equated to £83.29, to represent a delay of 19 days. This is because NS&I said he should've received the funds on 11 May and not 30 May 2023.

NS&I also paid Mr H £50 for the distress and inconvenience of what happened. I'm persuaded that this is reasonable for what happened. I say this as £50 is in line with our awards for what happened here. 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 Mr H to accept or reject my decision before 1 February 2024.

Gregory Sloanes
Ombudsman