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A prize mess! Rates slashed, loyal savers forced online and when they call for help, no one answers... Just what is going on at NS&I?

- NS&I forces millions of older savers online as customer services fall apart
- Treasury-backed bank unable to handle a flood of calls from worried savers
- It will soon stop sending Premium Bond prizes by post after more than 60 years
- Savers struggle to move money out before heavy rate cuts come next month

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PUBLISHED: 22:31, 17 November 2020 | **UPDATED:** 08:57, 18 November 2020



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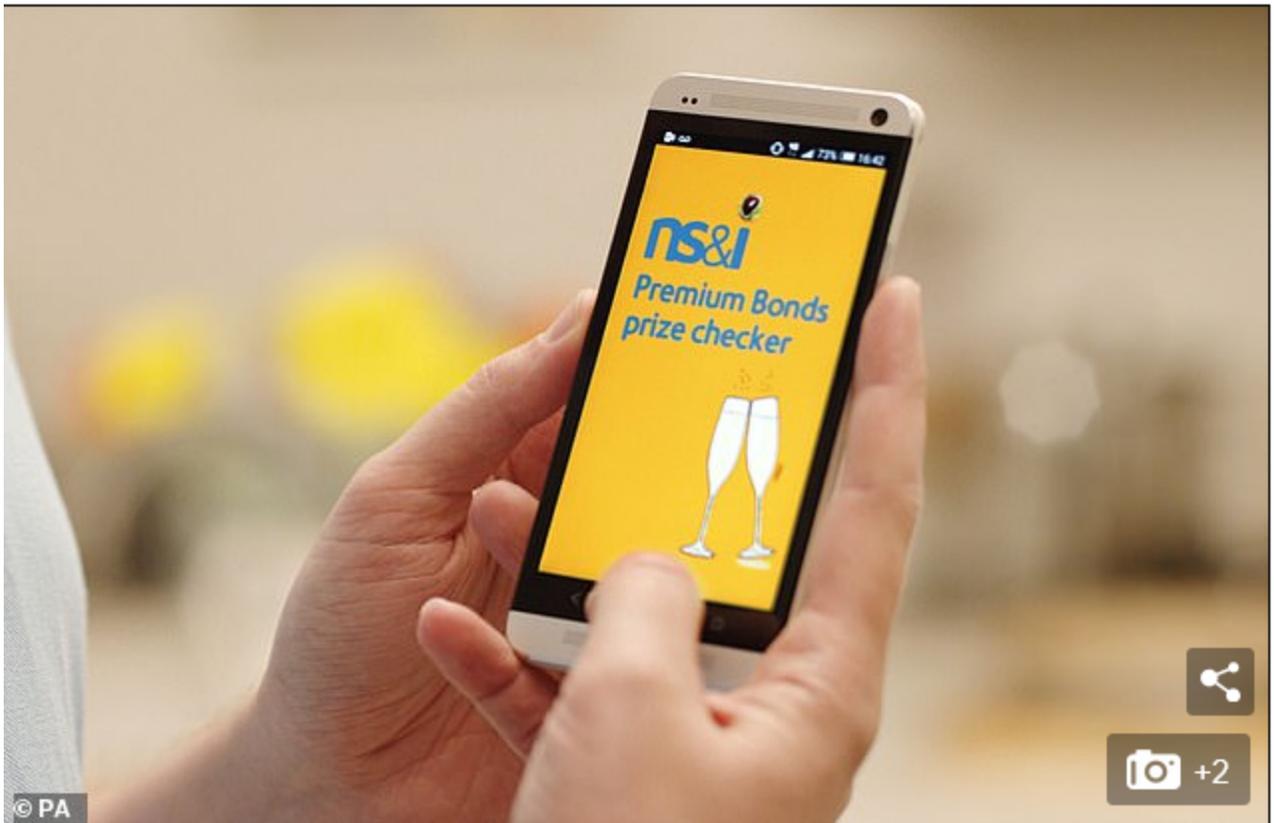
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NS&I is today accused of turning its back on millions of older savers as it forces them online while its customer service operation falls apart.

National Savings and Investments (NS&I) wants more customers to use its website, and will soon stop sending Premium Bond prizes in the post after more than 60 years.

However, the Treasury-backed bank has been unable to handle a flood of calls from worried savers it told to take action.



Online checker: NS&I will be phasing out paper prize cheques from December's Premium Bond draw

The five million savers who choose to receive prizes in the post were told to provide their bank account details along with an email address and mobile phone number to make sure they can still collect prize money.

But customers, including those who do not have a computer or mobile phone, say they have spent weeks - and hours on hold - trying to do so.

The problems come as scores of the bank's 25 million savers are also struggling to move their money out before heavy rate cuts come next week.

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Service disaster

NS&I's customer service operation has been hamstrung by the pandemic, but it has buckled under the extra pressure in recent weeks.

Paper prize cheques will be cut back next month and phased out by March. Premium Bond holders who receive prizes in the post were told in September to go online and register their details, or call NS&I.

But some elderly savers have struggled with the website, or have been unable to get through on the telephone.

Baroness Ros Altmann, consumer campaigner, says she had to help her 88-year-old mother set up an online bonds account.

Carol battles for 94-year-old deaf mother-in-law

Carol Rash intervened after her 94-year-old deaf mother-in-law was told her prizes would stop coming in the post.

The great-grandmother cannot use a computer, but has the maximum investment of £50,000 in Premium Bonds and has been an NS&I customer for more than 30 years.



Caro Rash, pictured with husband Allan, intervened after her 94-year-old deaf mother-in-law was told her prizes would stop coming in the post

But when Carol, 72, found out postal prize cheques faced the axe, she tried to use NS&I's website to help her mother-in-law.

Yet Carol, who lives in Essex with husband Allan, 73, had no luck, so tried the customer service line instead.

And after waiting on hold for 40 minutes, the mother-of-two eventually got through to an employee, who then asked to speak to her deaf mother-in-law.

Carol then wrote to NS&I asking for help. It was only after she contacted a newspaper that NS&I ensured her elderly relative would continue to receive prize cheques.

Retired company director Carol says: 'Not everyone who is in their 90s has younger relatives to fight for their corner. There are still plenty of people who cannot or do not want to bank online.'

An NS&I spokesman says customers who do not have access to the internet should call 08085 007 007 or write to it to discuss their 'prize notification' options.



She says: 'She was very happy knowing that she might one day receive a little cheque. She is not happy trying to manage a system that she has never used before in her decades of owning Premium Bonds. If you are not digitally able, it is very difficult.'

It comes as, in an interview last year, NS&I chief executive Ian Ackerley said the bank needed to attract younger savers.

He said: 'We're really respected and loved by, by and large, an older customer base. That's a real worry for the long-term sustainability of NS&I.'

The bank now has a one-star rating on review website Trustpilot. It has had close to 1,000 reviews - 83 per cent of which are 'bad', one star out of five.

Mr Ackerley told Money Mail NS&I had been 'extremely busy'. He says: 'We are really sorry for those customers trying to get through to the customer service centre.'

But Age UK's Caroline Abrahams called on NS&I to reconsider the decision. She says: 'At best, the idea is out of touch with the fact many older people are not computer users - more than half the population beyond age 75.'

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'Many Premium Bond owners are older people, and they deserve to have their needs understood and their loyalty rewarded, so I hope NS&I will review its decision.'

Greener, meaner

The decision to stop sending prizes in the post was made to save paper. In the bank's latest annual report, under the title 'digital first', NS&I explained how it wanted to make its operation 'leaner and greener'.

Yet around 1.5 million savers with Investment Accounts, and more than 800,000 children with Premium Bonds, still have no option but to receive paper statements.

NS&I sends out more than one million Premium Bond prize warrants every month. The September draw saw more than a quarter of all prizes sent out in the post.

Mr Ackerley told Money Mail 'over 1 million warrants a month is a huge amount of paper. From a taxpayer's perspective, this increases the cost of the process — and it can cause a drag on returns.'

But he refused to say how much the move will save, or if the money would go back in the prize pot.

He also insisted offline savers were not being ignored. He says: 'We care about all our customers - it's not about favouring one age group. We've reached a tipping point. It's about progress.'

Widow Rosemarie Smith, 84, has no computer or smartphone. Yet she has had Premium Bonds since she was 18.

The retired secretary, from Essex, was appalled when she found out she would have to register for an online account.

The grandmother-of-two was informed of the change in a note attached to a win a few months ago.

Rosemarie says: 'NS&I hasn't thought this move through. Someone in an office has just decided this should all be online now - they haven't thought about people like me who don't have a computer, let alone an email address.'



Paper prize cheques will be cut back next month and phased out by March

But NS&I's retail director Jill Waters said any exemptions would be considered on a case by case basis, adding: 'Not liking it is not a strong enough reason to demand cheques in the post still.'

Rewards ruin

This summer, NS&I topped the best buy tables after other major banks slashed interest rates.

However, it is now having to handle a rush of savers looking to move their money out as the popular Premium Bond prize rate is to be slashed from a rate equivalent to 1.4 per cent interest down to 1 per cent from next month's draw.

Income bonds will be cut from 1.15 per cent to just 0.01 per cent.

Yet savers say they have been unable to get their money out because they cannot speak to anyone at the bank.

Anna Bowes, from rates site Savings Champion, says customers fed up with NS&I should turn their back on the bank. She says: 'NS&I has gone from hero to zero this year. Savers must vote with their feet.'

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