

Sir Geoffrey Clifton-Brown MP
Chair of the Public Accounts Committee
By email.
via email

17 December 2025

Dear Sir Geoffrey,

NS&I Departmental Minute Laid-Notification of Two Contingent Liabilities (shared under embargo)

I am writing to inform you that a Departmental Minute relating to two contingent liabilities is being laid before Parliament on 17 December 2025. This notification is provided in accordance with Managing Public Money and the PAC Concordat.

Please note that approval for these liabilities has been sought retrospectively from HM Treasury, as explained in the Departmental Minute.

NS&I had initially judged these losses as occurring in its 'normal course of business'. On lengthy review and discussion with HM Treasury colleagues, it was determined that the transition to the new multi-supplier service delivery model has resulted in NS&I taking on liabilities that were previously retained by the service delivery partner under the single-supplier model. This has given rise to the contingent liabilities. NS&I therefore acknowledges that Parliament was not informed earlier and apologises for this procedural non-compliance. Steps have been taken to strengthen internal assurance processes to ensure full compliance with Parliamentary expectations and Managing Public Money.

Key details:

Department: National Savings and Investments

Nature of the Liabilities: Two contingent liabilities arising from NS&I's transition from a single-supplier delivery model to a multi-supplier model and relate to:

1. Potential operational losses, including compensation and remediation costs arising from service delivery issues
2. Potential fraud losses associated with the operation of the new delivery arrangements.

Estimated Maximum Exposure: £2 million

Reason for the Liabilities: These contingent liabilities are necessary to enable successful implementation of the multi-supplier service delivery model without compromising customer outcomes where no accountable party could be identified.

Copies of the Departmental Minute have been placed in the Library of the House. Should you require any further information or supporting documentation, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dax Harkins', with a stylized, flowing script.

Dax Harkins
Chief Executive, NS&I