



# National Savings Bank Act 1971

## 1971 CHAPTER 29

### *Provisions as to deposits*

#### **3 Ordinary and investment deposits**

- (1) A deposit with the National Savings Bank may be made either as an ordinary deposit or as an investment deposit.
- (2) Regulations under section 2 of this Act may make different provision with respect to ordinary deposits and with respect to investment deposits, and may prevent the making of an investment deposit unless the person who will be the depositor in respect thereof is also a depositor in respect of ordinary deposits and the sum due to him in respect of those deposits is not less than such amount as may be specified in the regulations.

#### **4 Limit on amount of deposits**

- (1) The Treasury may by order limit the amount which may be received by way of deposit in the National Savings Bank from any person whatsoever either in one year or in the aggregate.
- (2) An order under this section—
  - (a) may make different provision with respect to ordinary deposits and with respect to investment deposits,
  - (b) may fix different limits as respects different classes of persons,
  - (c) may provide that any limit fixed by the order shall have effect subject to any exceptions or exclusions specified in the order,
  - (d) may contain special provisions with respect to depositors whose deposits, at the date on which the order takes effect, exceed the limit fixed by the order as regards deposits,
  - (e) may contain such consequential and supplemental provisions as appear to the Treasury to be necessary for giving full effect to the order, and
  - (f) may be revoked or varied by a subsequent order.

- (3) For the purposes of this section a person who is a trustee shall be treated separately in his personal capacity and in his capacity as trustee, and in the latter capacity separately in respect of each separate trust fund.

## **5 Interest on ordinary deposits**

- (1) The rate of interest payable on ordinary deposits, except deposits in accounts closed before 1st January 1972, shall be 3 ½ per cent, per annum or such other rate as may be specified in an order of the Treasury under this section.
- (2) The rate of interest payable on ordinary deposits in accounts closed before 1st January 1972 shall be 2 ½ per cent, per annum or such other rate as may be specified in an order of the Treasury under this section.
- (3) Interest on an ordinary deposit shall not commence until the first day of the month next following the day of deposit, and shall cease on the first day of the month in which the deposit is withdrawn.
- (4) Interest on ordinary deposits shall be calculated to 31st December in every year and shall be added to and become part of the principal; but interest shall not be calculated on any amount less than one pound or some multiple of one pound.
- (5) The Treasury may by order alter the rate of interest payable on ordinary deposits, but not so as to reduce it to a rate of less than 2 ½ per cent, per annum.
- (6) An order under this section, so far as it relates to interest for a period before 1st January 1972, may be made so as to apply only as respects deposits in accounts not closed before that date, or so as to make different provision for such deposits and other deposits.
- (7) An order under this section may be revoked or varied by a subsequent order.

## **6 Interest on investment deposits**

- (1) Investment deposits shall be received on such terms as to interest, other than terms as to rate of interest, as may from time to time be prescribed.
- (2) Interest on investment deposits shall be payable at such rates as the Director of Savings may from time to time determine with the consent of the Treasury, and different rates may be so determined in relation to different periods of notice of withdrawal.
- (3) The Director of Savings shall give notice in the London, Edinburgh and Belfast Gazettes of any alteration in a rate of interest payable on investment deposits and, if the alteration affects deposits received before it is made, the length of that notice shall not be less than that of the notice of withdrawal applicable to the deposits.

## **7 Withdrawal of deposits**

- (1) Subject to subsection (2) below, where a depositor, or a person legally authorised to claim on behalf of a depositor, makes in the prescribed form a demand for repayment of a deposit, or part of a deposit, authority for repayment shall be transmitted to the depositor forthwith, and the depositor shall be absolutely entitled within ten days after his demand is made to repayment, at any place at which deposits can be withdrawn, of any sum due to him.

- (2) The terms as to notice of withdrawal of investment deposits shall be such as may from time to time be prescribed; and accordingly so much of subsection (1) above as entitles a depositor to repayment within ten days of his demand and requires the immediate transmission to him of authority therefor shall not apply in relation to investment deposits.
- (3) Where regulations under section 2 of this Act extend a period of notice of withdrawal of investment deposits, the extension shall not apply to any deposits received before the coming into operation of the regulations.

## **8 Regulations as to particular matters**

- (1) The power of the Treasury to make regulations under section 2 of this Act shall include power to make regulations for any of the following purposes—
  - (a) for prescribing what declaration shall be required from a depositor, other than the Public Trustee, on opening an account in the National Savings Bank;
  - (b) for prescribing the entries to be made in depositors' books;
  - (c) for the giving of receipts and acknowledgments;
  - (d) for treating entries, receipts or acknowledgments made in pursuance of the regulations as evidence or conclusive evidence of such facts as may be prescribed;
  - (e) for preventing the making of deposits of less than such amount as may be specified in the regulations ;
  - (f) for the payment or transfer of sums in the National Savings Bank which belong to persons appearing to be minors or incapable through disorder or disability of mind of managing their property and affairs, or form part of the personal estate of any person appearing to be deceased;
  - (g) for the transfer of deposits from one account to another account, whether an existing or a new account;
  - (h) for determining the receipts which are to be a good discharge to the Director of Savings in the case of the payment or transfer of any sum ;
  - (i) for the addition of one or more names to an account already in the National Savings Bank ;
  - (j) for the purpose of the payment or transfer of any sum, for authorising a person to be treated as having been domiciled in the place in which he was resident at the date of his death;
  - (k) for directing that, except as provided by the regulations, no entry with respect to any trust (express, implied or constructive) shall be made in the account of any depositor, and that, except as aforesaid, no notice of any such trust shall be receivable by the Director of Savings;
  - (l) for determining the date on which a deposit is to be deemed to be withdrawn, and for prescribing the method by which payment of sums withdrawn is to be made;
  - (m) for providing that where any person to whom any sum, being the whole or any part of the deposit of a deceased depositor, is payable is unable by reason of any incapacity whatsoever to give a legal discharge therefor the sum may be paid to any person undertaking to maintain the incapacitated person;
  - (n) for prescribing the means by which particular facts may be proved and the manner in which evidence thereof may be given, and for authorising the Director of Savings to treat proof of any particular facts given in the prescribed

manner as conclusive evidence of those facts for the purpose of the payment or transfer of any sum.

- (2) Regulations under section 2 of this Act may also provide—
- (a) for the nomination by a depositor not being under 16 years of age of any person to whom any sum payable to the depositor at his death (including any portion of any savings bank annuity or accrued interest payable to the representatives of the depositor) is to be paid at the death;
  - (b) for the manner in which any such nomination may be revoked by the depositor and for the circumstances in which it is to be treated as having ceased to be operative, and for the payment of the specified amount to any nominee so nominated ;
  - (c) for directing that any person acting as witness to a nomination shall be disqualified from taking thereunder;
  - (d) for authorising any person named as nominee in any nomination who dies after the death of the nominator but before receiving payment of the sum to be paid to him under the nomination to be treated as a depositor.

## **9 Payment on death without representation**

- (1) Where the sum in the National Savings Bank which forms part of the personal estate of a person appearing to be deceased does not exceed £500, then, if the regulations under section 2 of this Act so provide, and subject to such regulations, probate or other proof of the title of the personal representative of the deceased person may be dispensed with, and the sum may be paid or distributed to or among the persons appearing in manner provided by the regulations to be beneficially entitled to the personal estate of the deceased person, whether under such nomination of the deceased as is allowed by the regulations, or by law, or as next of kin, or as creditors, or otherwise, or to or among any one or more of such persons, exclusively of the others; and the person making such a payment shall be discharged from all liability in respect of the sum paid in accordance with the regulations.
- (2) Subsection (1) above shall be included among the provisions with respect to which the Treasury may make an order under section 6(1) of the Administration of Estates (Small Payments) Act 1965 substituting for references to £500 references to such higher amount as may be specified in the order.

## **10 Settlement of disputes**

- (1) if a dispute arises between the Director of Savings and—
- (a) a depositor, or
  - (b) a person who is or claims to be the personal representative or next of kin or creditor of a depositor, or the successor in the trusts of any depositor, being a trustee, or
  - (c) the trustee in bankruptcy or assignee of a depositor who is bankrupt or insolvent, or
  - (d) a person who claims to be entitled to money deposited in the National Savings Bank,
- the matter in dispute shall be referred in writing to the Registrar.
- (2) Upon the reference of the dispute, the Registrar shall have power to proceed ex parte on giving notice in writing to the Director of Savings.

- (3) Any award, order or determination made by the Registrar shall be binding and conclusive on all parties and shall be final to all intents and purposes, without any appeal.
- (4) On a reference under this section the Registrar may inspect any books of the National Savings Bank relating to the matter in dispute and may administer an oath to any witness appearing before him.

## **11 Fees on reference of disputes**

- (1) The Treasury may by warrant direct that there shall be charged upon any award, order or determination made by the Registrar under section 10 of this Act such reasonable fee as may be fixed by the warrant.
- (2) Every such fee shall be paid into the Consolidated Fund and shall be paid by such persons and in such manner as may be directed by the warrant.
- (3) No fee which is not allowed by the warrant shall be charged or taken in respect of any matter for which a fee can be charged under this section.

## **12 Secrecy**

- (1) Subject to the following provisions of this section, the persons engaged in the receipt or payment of deposits shall not disclose the name of any depositor nor the amount deposited or withdrawn except to the Director of Savings or to such persons as may be concerned with carrying this Act into operation.
- (2) Subsection (1) above shall not prevent the disclosure, by a person authorised for the purpose by the Director of Savings, of information to any person in connection with an offence committed with reference to the account of a depositor or for the purpose of ascertaining whether or not an offence has been so committed.
- (3) Subsection (1) above shall have effect subject to the provisions of section 17(3) of the Taxes Management Act 1970 (which relates to the obtaining of information as to interest paid or credited without deduction of income tax).

## **13 Transfer of ordinary deposits to trustee savings banks**

- (1) If a depositor in the National Savings Bank desires to transfer an ordinary deposit to a trustee savings bank he shall, on application to the Director of Savings, be given a certificate stating the whole amount due to him, with interest, and thereupon his account shall be closed. ,
- (2) On delivery of the certificate to the trustee savings bank to which the depositor proposes to transfer the deposit, that bank may, if they think fit, open an account for the amount stated in the certificate for the depositor, who shall thereupon be subject to the rules of the bank.
- (3) The amount so transferred shall, upon the certificate being forwarded to the Commissioners, be written off in the books of the Commissioners from the amount of moneys received under this Act, and shall be carried to the account of the savings bank to which the transfer has been made.

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*Status: This is the original version (as it was originally enacted).*

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- (4) Where the account stands in the name of a minor, or of a minor and any other person, the Director of Savings, on an application in writing by the parent or other relative of the minor if under 7 years of age, and by the minor himself if above that age, and also by the other person (if any) in whose name the account stands, shall issue a certificate for the transfer of the account and of all moneys standing to the credit of the account, according to the foregoing provisions of this section.
- (5) Where an account is transferred under subsection (4) above, the account in the bank to which it is transferred shall be opened in the name of the minor alone, or, as the case may be, of the minor and the said other person, and the receipt of the person or persons making the application and receiving the transfer certificate shall be a sufficient discharge to the Director of Savings.
- (6) Money transferred under subsection (4) above shall not be withdrawn, except with the consent of two of the trustees or managers of the bank to which the transfer is made, until the minor has attained the age at which it might have been withdrawn from the National Savings Bank, a note whereof shall be made on the said certificate.

#### **14 Transfer of deposits from trustee savings banks**

- (1) If a depositor in a trustee savings bank desires to transfer the amount due to him, with interest, from the bank to the National Savings Bank, the trustees and managers of the trustee savings bank shall at his request give the depositor a certificate in a form to be approved by the Commissioners, and thereupon his account with that bank shall be closed.
- (2) The certificate referred to in subsection (1) above shall be signed by a trustee or manager of the trustee savings bank, except that where the bank is open for more than 6 hours in every week it may instead be signed by a paid officer of the bank who has been duly appointed for that purpose and whose appointment has been previously certified to the Commissioners by two trustees.
- (3) The depositor may deliver the certificate at any place where the business of the National Savings Bank is transacted and the certificate shall be considered to be an ordinary deposit of the amount stated in the certificate.
- (4) Upon the certificate being forwarded to the Commissioners, the amount stated in the certificate shall be transferred in the books of the Commissioners from the account of the trustee savings bank in question to the account kept for the purposes of this Act.
- (5) Where the account with the trustee savings bank stands in the name of a minor, or of a minor and any other person, the trustees of the bank, on an application in writing by the parent or other relative of the minor if under 7 years of age, and by the minor himself if above that age, and also by the other person (if any) in whose name the account stands, shall issue a certificate for the transfer of the account and of all moneys standing to the credit of the account, according to the foregoing provisions of this section.

The provisions of this subsection shall have effect notwithstanding anything in the rules of the trustee savings bank.

- (6) Where an account is transferred under subsection (5) above, the account in the National Savings Bank shall be opened in the name of the minor alone, or, as the case may be, of the minor and the said other person, and the receipt of the person or persons making the application and receiving the transfer certificate shall be a sufficient discharge to the trustees of the trustee savings bank.

- (7) Money transferred under subsection (5) above shall not be withdrawn, except with the consent of the Director of Savings, until the minor has attained the age at which it might have been withdrawn under the rules of the trustee savings bank from which it was transferred, a note whereof shall be made on the said certificate.

## **15 Transfer of deposits from and to overseas savings banks**

- (1) The Director of Savings may enter into an arrangement with any government savings bank authority in any country for the transfer of sums standing to the credit of depositors from such a government savings bank to the National Savings Bank or from the National Savings Bank to such a government savings bank.
- (2) Where—
- (a) an arrangement of the kind mentioned in subsection (1) above has been made by the Director of Savings, or
  - (b) a similar arrangement was made before 1st October 1969 by the Postmaster General under section 12(1) of the Savings Banks Act 1904 or section 13(1) of the Post Office Savings Bank Act 1954,
- the Director of Savings may cause any amount transferred in pursuance of the arrangement to the National Savings Bank to be placed to the credit of a depositor's account in that bank, although the amount transferred may exceed the amount which a depositor may deposit in any one year, but no amount shall be so credited which shall make the total amount standing to the credit of the account exceed the maximum for the time being allowed by law.
- (3) Regulations under section 2 of this Act may provide for any matters necessary to give effect to transfers authorised in pursuance of this section.

## **16 Deposits by charities etc.**

- (1) The treasurer of any penny savings bank, charitable or provident institution or society, or charitable donation or bequest for the maintenance, education or benefit of the poor may invest the funds of the penny savings bank, institution or society in the National Savings Bank.
- (2) The Director of Savings may defray all or any of the expenses of a penny savings bank which has a deposit account with the National Savings Bank.
- (3) Subsection (1) above shall have effect without prejudice to the provisions of section 31 of the Industrial and Provident Societies Act 1965 and section 31 of the Industrial and Provident Societies Act (Northern Ireland) 1969 (which deal with the investment powers of registered societies), and subject to—
- (a) those provisions,
  - (b) the provisions of any regulations under section 2 of this Act, and
  - (c) any order under section 4 of this Act.
- (4) In this section " penny savings bank " means a bank the rules of which fix a sum not exceeding £5 as the maximum amount which may stand to the credit of any one depositor therein at any one time, and which provide, upon the attainment of that maximum amount, for its transfer to an account opened in the depositor's own name in the savings bank where the deposit account of the penny savings bank is kept.