



# Finance Act 2003

## 2003 CHAPTER 14

### PART 9

#### MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS

##### *National Savings*

#### **208 Ordinary accounts and investment accounts**

- (1) The National Savings Bank Act 1971 (c. 29) is amended as follows.
- (2) In section 3 (ordinary and investment deposits), after subsection (1) insert—

“(1A) But subsection (1) is subject to any provision made in relation to ordinary accounts or ordinary deposits by regulations under section 2 of this Act made by virtue of section 8(3) of this Act.”
- (3) Section 6 (interest on investment deposits) is amended as follows.
- (4) In subsection (2), for “Director of Savings may from time to time determine with the consent of the Treasury” substitute “Treasury may from time to time determine”.
- (5) After that subsection insert—

“(2ZA) The Treasury may determine that a rate of interest payable on investment deposits, or investment deposits of a particular description, is to be a rate produced by the operation of a formula involving the movement of an index or indices or any other factor.”
- (6) In subsection (3), after “description” insert “(other than one occasioned by the operation of a formula)”.
- (7) After that subsection insert—

“(4) In the case of an alteration in a rate of interest not affecting deposits received before it is made, any notice of the alteration required to be given by subsection (3) above may be given after the alteration is made.”

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*Status: This is the original version (as it was originally enacted).*

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- (8) Section 8 (regulations as to particular matters) is amended as follows.
- (9) In subsection (1), after paragraph (b) insert—
- “(ba) for the issuing of cards for use in making investment deposits or in withdrawing cash from investment accounts (or both) and regulating the use of such cards;”.
- (10) After subsection (2) insert—
- “(3) Regulations under section 2 of this Act may also make provision—
- (a) prohibiting the opening of ordinary accounts after a prescribed date;
  - (b) prohibiting the opening of investment accounts of a prescribed description after a date prescribed in relation to that description of accounts;
  - (c) prohibiting the making of ordinary deposits after a prescribed date;
  - (d) prohibiting the making of deposits in investment accounts of a prescribed description after a date prescribed in relation to that description of accounts;
  - (e) requiring the withdrawal of all of the money deposited in any dormant account of a prescribed description if any of the money deposited in it is withdrawn after a date prescribed in relation to that description of account;
  - (f) for the transfer to investment accounts of a prescribed description of deposits in dormant accounts of a prescribed description;
  - (g) for the transfer to a special Director’s account of deposits in dormant accounts of a prescribed description or in accounts to which deposits have been transferred pursuant to provision made by virtue of paragraph (f) above.
- (4) In subsection (3) above—
- “dormant account” means an account in which deposits may not be made because of provision made by virtue of paragraph (c) or (d) of that subsection; and
- “special Director’s account” means an investment account in the name of the Director of Savings in which deposits are held on behalf of the persons entitled to them.”.
- (11) After section 9 insert—

**“9A Investment account terms and conditions**

- (1) Any provision which may be made in relation to investment deposits by regulations under section 2 of this Act may, in the case of deposits in investment accounts of any description first made available after the passing of the Finance Act 2003, be included instead in the terms and conditions of the accounts.
- (2) Any provision included in the terms and conditions of investment accounts under subsection (1) above has effect subject to regulations under section 2 of this Act and orders under section 4 of this Act.

- (3) In this section “terms and conditions” means terms and conditions set by the Treasury and published by Director of Savings in a manner approved by the Treasury.”.

**209 Abolition of accounting requirements relating to investment deposits**

In section 120 of the Finance Act 1980 (c. 48) (investment deposits with National Savings Bank: accounting provisions etc), omit subsections (4) and (5) (which require the Director of Savings to keep an account of investment deposits etc and transmit annual statements to the Comptroller and Auditor General for examination etc).