
STATUTORY INSTRUMENTS

1987 No. 2096

SAVINGS BANKS

**The National Savings Bank (Interest
on Ordinary Deposits) Order 1987**

<i>Made</i>	- - - -	<i>4th December 1987</i>
<i>Laid before Parliament</i>		<i>7th December 1987</i>
<i>Coming into force</i>	- -	<i>1st January 1988</i>

The Treasury, in exercise of the powers conferred upon them by section 5(5) of the National Savings Bank Act 1971(1) and of all other powers enabling them in that behalf, hereby make the following Order:

1. This Order may be cited as the National Savings Bank (Interest on Ordinary Deposits) Order 1987 and shall come into force on 1st January 1988.

2.—(1) The rate of interest payable after 31st December 1987 on ordinary deposits in an account at the National Savings Bank shall be —

(a) 2½ per cent. per annum; or

(b) in the case of deposits in an ordinary account which is held by the depositor throughout the relevant period, 5 per cent. per annum in respect of any month in the relevant period, if the balance of the account does not fall below £500 at any time during that month.

(2) In paragraph (1) “the relevant period” means the period of twelve months beginning on 1st January 1988 and at any time thereafter the period of twelve months beginning on 1st January; and “month” means any one of such months.

3. The National Savings Bank (Interest on Ordinary Deposits) Order 1986(2) is hereby revoked.

(1) 1971 c. 29; section 5 was amended by the Finance Act 1982 (c. 39), Schedule 20, paragraph 4.

(2) S.I.1986/2161.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

4th December 1987

Michael Neubert
Mark Lennox-Boyd
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order.)

This Order continues the two-tier interest rate structure for ordinary deposits in the National Savings Bank, contained in the National Savings Bank (Interest on Ordinary Deposits) Order 1986, but reduces the rates of interest with effect from 1st January 1988. The standard rate of interest payable on such deposits will be reduced to 2½ per cent. per annum. Interest at the higher rate payable in respect of those months for which the balance of an account stands at £500 or more, provided that the account is kept open throughout the period of a year, will be reduced to 5 per cent.