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STATUTORY INSTRUMENTS

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**1996 No. 1724**

**The National Savings Bank  
(Amendment) (No. 2) Regulations 1996**

6. After regulation 29 there shall be inserted the following—

**“Deposits to treasurer’s accounts**

**29A.**—(1) Investment deposits may be made for the credit of a treasurer’s account opened in accordance with this Regulation.

(2) Subject to paragraphs (3) and (4) below, a treasurer’s account may be opened in the name of any organisation.

(3) Subject to paragraphs (4) and (5) below, a treasurer’s account shall not be opened in the name of an organisation which appears to the Director of Savings to have, as its principal aim, the generation (in whatever manner) of profit with a view to the principal part of such profit being distributed (whether immediately or after investment or accumulation) to any person or description of persons, otherwise than in pursuance of charitable purposes.

(4) A treasurer’s account may be opened in the name of a friendly society (within the meaning of paragraph (11) below) or a society registered under the Industrial and Provident Societies Act 1965<sup>(1)</sup> but, subject to paragraph (5) below, not in the name of a building society incorporated or deemed to be incorporated under the Building Societies Act 1986<sup>(2)</sup>.

(5) Notwithstanding paragraphs (3) and (4) above, a treasurer’s account may be opened in the name of an organisation in either of the following circumstances—

(a) where the organisation has investment deposits (or interest thereon) standing to its name which were made under regulation 11 or 12<sup>(3)</sup> above, provided that all such deposits (and interest) are transferred to one or more treasurer’s account on the first opening of such an account in the name of that organisation in reliance on this paragraph;

(b) where a treasurer’s account has previously been opened in the name of that organisation in reliance on sub-paragraph (a) above (regardless whether such account has since been closed).

(6) A treasurer’s account may be opened only with a first deposit of not less than £10,000.

(7) An application to open a treasurer’s account shall be made in the approved form, signed by the proper officer of the organisation in the name of which it is to be held, and shall specify the authorised signatories in accordance with regulation 29E below.

(8) An application under paragraph (7) above shall be delivered to the principal office of the National Savings Bank, and shall be accompanied by a copy of the constitution, rules, trust deed, memorandum of association or other document defining the objects, constitution

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(1) 1965 c. 12.

(2) 1986 c. 53.

(3) Regulations 11 and 12 were amended by S.I.1989/2045 so as to have effect only in relation to accounts opened before 1st January 1990.

and character of the organisation or, if there is no such definitive document, a statement of such objects, constitution and character.

(9) While a treasurer's account remains open, the Director of Savings shall be informed in the approved manner, by the proper officer or the authorised signatories, of any changes to the objects, constitution or character of the organisation which may reasonably be thought capable of giving grounds for the exercise of the Director's discretion to require the account to be closed under regulation 29I below.

(10) Where any information given to the Director of Savings by the proper officer or the authorised signatories in any approved form or approved manner under these Regulations (including any particulars notified under this paragraph) ceases, while any relevant treasurer's account remains open, to be accurate, amending particulars shall be notified to the Director of Savings by the proper officer or the authorised signatories in such manner as may be approved.

(11) In paragraph (4) above, "friendly society" means—

- (a) a society which remains registered within the meaning of the Friendly Societies Act 1974<sup>(4)</sup> by virtue of section 7(1)(a) of that Act, or a branch of such a society which is separately registered within the meaning of the said Act; or
- (b) an incorporated friendly society.

#### **Disapplication of particular regulations to treasurer's accounts**

**29B.**—(1) The following provisions of these Regulations shall not apply to treasurer's accounts—

- (a) regulations 4 to 19 above (inclusive);
- (b) subject to paragraph (3) below, regulation 28 above; and
- (c) regulations 32 to 41 below (inclusive).

(2) Regulation 21 above shall not apply to withdrawals from a treasurer's account, except as provided by regulation 29H below.

(3) Deposits standing to the credit of a treasurer's account shall not be transferable under regulation 28(2) above, or under regulation 30 or 31 below, but deposits of any other description may be transferred to a treasurer's account in accordance with those regulations.

#### **Title of treasurer's accounts**

**29C.**—(1) In addition to the name of the organisation concerned, the Director of Savings may allow such further particulars to be added to the title of the account as may be requested for purposes of identification.

(2) Upon written application delivered to the principal office of the National Savings Bank, in such form as may be approved, signed by the authorised signatories, the Director of Savings may amend the title of a treasurer's account (including the name of the organisation concerned), except where it appears to the Director that the amendment would effect a transfer of the account to a different organisation or person.

#### **Proper officer for purposes of treasurer's accounts**

**29D.**—(1) In these Regulations, any reference to the proper officer of an organisation in relation to anything to be done in connection with a treasurer's account, means—

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(4) 1974 c. 46; section 7(1) was amended by the Friendly Societies Act 1992 (c. 40), Schedule 16, paragraphs 1 and 4.

- (a) in the case of an unincorporated body of persons, the trustees or treasurer;
- (b) in the case of a body corporate, two directors (or, in the case of an incorporated friendly society, two members of the committee of management) acting jointly, or the secretary or treasurer;
- (c) in the case of a corporation sole, the person constituting the corporation sole for the time being.

(2) In paragraph (1) above, “treasurer” includes any person recognised by the Director of Savings as entitled to do that thing on behalf of the body in accordance with its constitution, rules, trust deed, articles of association, statutory framework or other document or provision governing its constitution or powers, or under the general law.

### **Authorised signatories for purposes of treasurer’s accounts**

**29E.**—(1) One or more persons shall be specified in relation to every treasurer’s account for the purpose of operating the account on behalf of the organisation in the name of which the account is held.

(2) A specification under this regulation may specify that—

- (a) any person so specified may act unilaterally, or
- (b) only a specified quorum or combination of such persons acting jointly may act.

(3) In these Regulations, unless the context otherwise requires, any reference to the authorised signatories in relation to a treasurer’s account means such person, or quorum or combination of such persons, as may be entitled to act in accordance with a specification made under this regulation.

(4) The initial specification under this regulation shall be made in accordance with regulation 29A(7) above, and any specification under this regulation may be amended from time to time upon written direction delivered to the principal office of the National Savings Bank, in the approved form, signed by the authorised signatories (and for the purpose of ascertaining the authorised signatories for this purpose, the effect of the amendment which it is the purpose of the direction to effect shall be disregarded).

(5) A specimen of the signature of every person specified under this regulation shall be supplied to the Director of Savings in the approved manner, and the Director of Savings may decline to accept or act upon any instruction signed by any person in respect of whom such a specimen has not been so supplied.

(6) Notwithstanding anything in these Regulations, the Director of Savings may, if he thinks fit, allow anything which these Regulations permit or require to be done by or in relation to the authorised signatories to be done by or in relation to the proper officer of the organisation in the name of which the account is held.

(7) Notwithstanding anything in these Regulations, where the Director of Savings has reasonable cause to believe or suspect that any instruction given, or other thing done, by the authorised signatories in accordance with these Regulations—

- (a) is contrary to the wishes of the proper officer of the organisation in the name of which the account is held, or
- (b) is not, or if acted upon by the Director of Savings would not be, a proper transaction having regard to the law governing the organisation in the name of which the relevant treasurer’s account is held or which is, or would be, otherwise applicable to dealings in respect of the asset represented by the relevant treasurer’s account, the Director of Savings may, if he thinks fit, act in accordance with paragraph (8) below.

(8) Where the Director of Savings acts in accordance with this paragraph, he may decline to accept, recognise or proceed according to the tenor of the relevant application or other thing done pending—

- (a) the making of such further enquiries by the Director of Savings as he may think reasonable for the purpose of ascertaining whether the circumstances are as described in sub-paragraph (a) or (b) of paragraph (7) above;
- (b) the taking of such further steps, whether by the proper officer or otherwise, in accordance with these Regulations as the Director may consider will enable the matter to be resolved in an appropriate manner; or
- (c) the resolution of any litigation or arbitration (including a reference under section 10 of the National Savings Bank Act 1971<sup>(5)</sup>) which has commenced or which the Director considers is intended to be commenced, in respect of any matter, and between any parties, which the Director considers material; and the Director of Savings may decline as aforesaid where he considers that such a course will enable the matter to be brought before the adjudicator on a reference under the said section 10, and that this would be appropriate.

#### **Procedure on making deposits to a treasurer's account**

**29F.**—(1) Subject to paragraphs (2) and (3) below, deposits to a treasurer's account shall be made—

- (a) by cheque delivered to the principal office of the National Savings Bank, accompanied by such completed form as may be approved;
- (b) by bank giro credit to an approved bank account, specifying such reference or other particulars as may be approved; or
- (c) by the transfer of any sum, in accordance with these Regulations, from another account in the National Savings Bank.

(2) The first deposit to a treasurer's account mentioned in regulation 29A(6) shall not be made in accordance with paragraph (1)(b) above, and a cheque or authority to transfer (or both) shall accompany the application to open the account.

(3) The Director of Savings shall not accept a first deposit to a treasurer's account by cheque unless the cheque appears from its face to be drawn on an account which—

- (a) stands in the name of the relevant organisation, or
- (b) otherwise relates to that organisation.

(4) In this regulation, references to a cheque include any other instrument which appears to the Director of Savings—

- (a) to be capable of collection in the manner of a cheque, and
- (b) to differ, in legal character, from a cheque only in respects which he considers immaterial (either generally or having regard to any particular circumstances in which a deposit is sought to be made by such an instrument), and paragraph (3) above shall not apply where the Director of Savings is satisfied that the fund from which any such instrument will be paid is owned or under the control of the relevant organisation.

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(5) 1971 c. 29; section 10 was amended by the Friendly Societies Act 1992 (c. 40), Schedule 21, paragraph 2.

### **Withdrawals from treasurer's accounts**

**29G.**—(1) In the case of a treasurer's account, every notice of withdrawal under regulation 29(1) above shall (subject to paragraph (2) below) be given, and every application for withdrawal in accordance with regulation 29(2) above shall be made,—

- (a) by sending or delivering to the Director of Savings at the principal office of the National Savings Bank an application for withdrawal in the approved form signed by the authorised signatories; or
- (b) if payment is to be made to the home bank account, by the authorised telephone procedure.

(2) Where payment is not to be made to the home bank account, notice of withdrawal under regulation 29(1) may be given by the authorised telephone procedure, but

- (a) the withdrawal shall not be made unless written confirmation in the form of an application for withdrawal in the approved form, signed by the authorised signatories, is received at the principal office of the National Savings Bank within 30 days of the day on which the notice was given by telephone, and
- (b) a warrant shall not be issued or, where payment by electronic transfer had been requested, the process mentioned in regulation 29H(3) below shall not be initiated, before such written confirmation is received.

(3) In this regulation, 'home bank account' means one bank account held in the British Islands and specified for the purposes of this Regulation—

- (a) in the application to open the relevant treasurer's account, or
- (b) in writing in the approved form signed by the authorised signatories in relation to the relevant treasurer's account: Provided that the Director of Savings may decline to accept or act on any such specification if it appears to him that the specified account does not stand in the name of the organisation in the name of which the relevant treasurer's account is held, or in a name (or with a title) which reasonably suggests that it relates to that organisation.

(4) A specification under paragraph (3) above may be cancelled or amended from time to time in writing in the approved form signed by the authorised signatories.

### **Payment on withdrawals from treasurer's accounts**

**29H.**—(1) An application for withdrawal from a treasurer's account shall request that payment be made (or that payment be made on the expiration of the relevant notice period required by these Regulations, as the case may be)—

- (a) by electronic transfer, to such account as may be specified in the application, being an account to which payment is capable of being made by that means, or
- (b) by a crossed warrant payable only through a bank drawn in favour of the organisation in the name of which the account is held or of a person named in the application, subject to paragraph (2) below.

(2) The proviso to regulation 21(1) above shall apply to paragraph (1)(b) above, and the discretion conferred thereby may be exercised so as to make different provision in the case of treasurer's accounts from that (if any) made in other cases, or so as to make provision which does not apply in the case of treasurer's accounts.

(3) A request for payment by electronic transfer shall be treated as implying authority to the Director of Savings to initiate, in accordance with that system, the process by which payment will thereby be made (or, where the withdrawal is to be made on notice under

regulation 29(1) above, to do so on such day as would be expected, in the normal course, to result in payment being made on the day on which the notice expires).

(4) Where the process by which a payment is to be made is initiated in accordance with paragraph (3) above, any determination of the authority to make that payment shall not deprive any person of a good discharge under these Regulations where such payment is made in the normal course as a result of such initiation, but where the Director of Savings becomes aware of any such determination, he shall take such reasonable steps as may be available to him to prevent such payment being made.

(5) Where payment is requested to be made by electronic transfer and is initiated in accordance with paragraph (3) above,—

- (a) receipt of the payment by the banker or other person with whom the specified account is kept shall be equivalent to receipt thereof by a person entitled to obtain repayment of deposits from the relevant treasurer's account; and
- (b) subject to regulation 52 below, the Director of Savings shall not be liable for any delay in the completion of the payment by electronic transfer, or any other failure in the operation of that system, which is outside his direct control.

(6) A request for payment by crossed warrant shall be treated as implying an authority to the Director of Savings to issue a warrant for the amount to be withdrawn and to pay it in accordance with the terms of the warrant.

(7) The posting of a letter containing a warrant issued under this regulation addressed in accordance with instructions contained in the application by which its issue was requested shall, as regards the liability of the Director of Savings, be equivalent to the delivery of the warrant to the person to whom the letter was addressed.

(8) Regulation 21(5) above shall apply to a warrant issued under this regulation, and regulation 21(10) above shall apply to withdrawals from a treasurer's account.

(9) The death of any person who signed the application for withdrawal (or made the application by the authorised telephone procedure) shall not of itself determine the authority mentioned in paragraphs (3) and (6) above.

#### **Power of Director of Savings to require closure of treasurer's accounts**

**29I.**—(1) Without prejudice to regulation 47 below, if at any time it appears to the Director of Savings that the organisation in the name of which a treasurer's account is held would not be eligible, in accordance with regulation 29A(2), (3) and (4) above, to open such an account at that time, he may decline to accept any further deposits for the credit of that account and may notify the authorised signatories of the relevant organisation that he requires the account to be closed.

(2) Where the Director of Savings has notified any person in accordance with paragraph (1) above, and the deposits (and any interest thereon) standing to the credit of the relevant account are not withdrawn in accordance with these Regulations within such time as the Director of Savings thinks reasonable in all the circumstances, he may proceed to repay such deposits (and interest)—

- (a) by electronic transfer to the home bank account (if any) specified in accordance with regulation 29G(3) and (4) above, or
- (b) to the proper officer of the relevant organisation in such manner as the Director of Savings may think fit.

(3) Where, pursuant to paragraph (2) above, the Director of Savings initiates the process by which payment will be made by electronic transfer—

- (a) receipt of the payment by the banker or other person with whom the home bank account is kept shall be equivalent to receipt thereof by a person entitled to obtain repayment of deposits from the relevant treasurer's account; and
  - (b) subject to regulation 52 below, the Director of Savings shall not be liable for any delay in the completion of the payment by electronic transfer or any other failure in the operation of that system, which is outside his direct control.
- (4) Where, pursuant to paragraph (2) above, the Director of Savings thinks fit to make payment by issuing a warrant, regulations 21(5) and 29H(7) above shall apply to any warrant issued for that purpose.

### **Statements in respect of treasurer's accounts**

**29J.**—(1) A deposit book shall not be issued in respect of a treasurer's account, but statements shall be issued in respect of every such account in accordance with this regulation.

(2) A statement shall be issued monthly to show the deposits and withdrawals made and particulars of any interest calculated and added in accordance with regulation 42(2) below, during the preceding calendar month, and the balance resulting therefrom, provided that no such statement shall be issued if no such transactions occurred during the relevant month.

(3) On request, a statement shall be issued annually showing, as at such single date within the relevant year as is specified in the request, the balance of the account and the amount of interest that has accrued thereto but which has not been added to the principal in accordance with regulation 42(2) below.

(4) A request under paragraph (3) above may be withdrawn, or the specified date amended from time to time, in the same manner as that in which such a request may be made.

(5) A request under paragraph (3) shall be made—

- (a) by the authorised telephone procedure, or
- (b) in writing in the approved form delivered to the principal office of the National Savings Bank and signed by the authorised signatories.

(6) A statement issued under this regulation shall be sent by post to the address furnished for that purpose in the application to open the account concerned, as amended from time to time in writing in the approved form signed by the authorised signatories and delivered to the principal office of the National Savings Bank.

### **Authorised telephone procedure**

**29K.**—(1) Where these Regulations authorise an application to be made or other thing done, by use of the authorised telephone procedure, that application may be made or thing done in accordance with, and subject to the conditions set out in, this regulation, and the making of any such application or the doing of any such thing is referred to in this regulation as the giving of a telephone instruction.

(2) The authorised telephone procedure shall be available in respect of an account only where—

- (a) the proper officer of the organisation in the name of which the account is held so requested in the application to open the account, or
- (b) the authorised signatories have so requested in writing in the approved form signed by them and delivered to the principal office of the National Savings Bank, and nominated thereby not more than 2 persons who are thereby authorised to

give telephone instructions (and each such person is referred to in this regulation as a ‘duly nominated person’).

(3) A nomination under paragraph (2) above may be withdrawn, or a new nomination made (subject to there being no more than 2 duly nominated persons at any time), in writing in the approved form signed by the authorised signatories and delivered to the principal office of the National Savings Bank.

(4) Every duly nominated person shall communicate to the Director of Savings, in the approved manner,—

- (a) a password of his own choice, being any combination of letters, or letters and numbers, of such length and character as the Director of Savings may approve as suitable for use as a password for the purposes of this regulation; and
- (b) such additional information of a personal nature relating to the nominated person as may be agreed between him and the Director of Savings to be used for the purpose of verifying his identity, and the Director of Savings shall arrange for such password and information to be recorded in such manner as he may think reasonably secure having regard to the purposes for which they are to be used under these Regulations.

(5) Any password or additional information communicated in accordance with paragraph (4) above or this paragraph, may be changed by the relevant duly nominated person in the approved manner (subject to such approval or agreement as is mentioned in paragraph (4) above), and particulars thereof shall be recorded as mentioned in paragraph (4) above.

(6) Telephone instructions shall be given by calling, otherwise than at the expense of the Director of Savings, an approved number and, on connection, the instructions shall be elicited in the approved manner by a person acting on behalf of the Director of Savings.

(7) The Director of Savings shall make arrangements reasonably calculated (having regard to anticipated demand) to enable telephone instructions to be given on such days and between such hours as he may approve, but (subject to regulation 52 below) shall not be liable for any loss or damage arising from the failure of any person to be (or remain) connected for any reason.

(8) Where any person (referred to in this paragraph as ‘the caller’) who is or who purports to be a duly nominated person seeks to give telephone instructions in accordance with paragraph (6) above, the Director of Savings shall accept such instruction and proceed according to their tenor if, on the occasion when the instruction is given, the caller correctly provides such particulars of the password and additional information recorded under this regulation as the person taking the call on behalf of the Director of Savings considers, in accordance with guidance given by the Director of Savings, to be sufficient to verify that the caller is a duly nominated person:

Provided that:

- (a) the Director of Savings may, in his discretion, decline to accept such instructions or proceed according to their tenor if, for any reason, he has reasonable cause to suspect that the instruction may not have been given by a duly nominated person notwithstanding that the particulars were correctly given as aforesaid, and in such a case the Director of Savings may take such steps as he considers appropriate to verify the authenticity of the instructions; and
- (b) paragraphs (7) and (8) of regulation 29E above shall apply in relation to instructions given by the authorised telephone procedure as they apply to an instruction given by the authorised signatories.



(9) The Director of Savings may make arrangements for an audio recording to be made, in such manner as he thinks fit, of any telephone call in which telephone instructions are likely to be given.

(10) Without prejudice to the admissibility of anything in evidence under any other enactment or rule of law, an audio recording shall be admissible in evidence in any proceedings on a reference made under section 10 of the National Savings Bank Act 1971<sup>(6)</sup> if there is produced to the adjudicator a certificate purporting to be signed by a civil servant employed in the Department for National Savings and certifying that the recording was made, or is a true copy of a recording that was made, in accordance with paragraph (9) above.”.

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<sup>(6)</sup> 1971 c. 29; section 10 was amended by the Friendly Societies Act 1992 (c. 40), Schedule 21, paragraph 2.