
STATUTORY INSTRUMENTS

1996 No. 801

SAVINGS BANKS

The National Savings Bank (Amendment) Regulations 1996

<i>Made</i>	- - - -	<i>14th March 1996</i>
<i>Laid before Parliament</i>		<i>14th March 1996</i>
<i>Coming into force</i>	- -	<i>9th April 1996</i>

The Treasury, in exercise of the powers conferred on them by sections 2(1) and 8(1)(g) and (1) of the National Savings Bank Act 1971(1), and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1. These Regulations may be cited as the National Savings Bank (Amendment) Regulations 1996, and shall come into force on 9th April 1996.
2. The National Savings Bank Regulations 1972(2) shall be amended by substituting the following for regulation 29—

“Withdrawal or transfer of investment deposits

29.—(1) Except in the case of withdrawal or transfer under paragraph (2) below, or where the Director of Savings otherwise directs, money deposited by way of investment deposit (or any interest thereon) may not be withdrawn or transferred (except to an investment deposit account) unless one month’s prior notice of withdrawal or transfer thereof has been given to the Director of Savings in accordance with this regulation.

(2) The Director of Savings may permit—

- (a) money which has been deposited by way of investment deposit for a continuous period of not less than 30 days, and
- (b) interest on any money deposited by way of investment deposit,

to be withdrawn or transferred (except to an investment deposit account) otherwise than upon the giving of the notice required by paragraph (1) above, but subject instead to the condition described in paragraph (4) below.

(3) In calculating the period of 30 days mentioned in paragraph (2)(a) above, the day on which the money was deposited shall be included, but not the day on which it is withdrawn.

(1) 1971 c. 29, to which there are amendments not relevant to these Regulations.
(2) S.I.1972/764; a relevant amending instrument is S.I. 1983/1367.

(4) For the purposes of paragraph (2) above, the condition is that an amount calculated in accordance with paragraph (5) below shall be debited from the account from which the withdrawal is made and shall be treated as having been—

- (a) withdrawn on the same day as, but immediately before, the withdrawal is made, and thereupon
- (b) paid to the Director of Savings (otherwise than by way of deposit in the National Savings Bank) by the person entitled to payment of the deposits standing to the credit of that account.

(5) The amount mentioned in paragraph (4) above is the amount equal to the interest earned on the sum withdrawn during the period of 30 days immediately preceding the day on which the withdrawal is made.

(6) For the purposes of paragraph (5) above, any part of the amount withdrawn which—

- (a) consists of interest which was calculated to the preceding 31st December and then capitalised (in accordance with regulation 42(2) below), and
- (b) has not itself earned interest for the full period of 30 days mentioned in that paragraph,

shall be treated as having also earned interest (‘additional interest’) during such period (‘the additional period’) immediately preceding the commencement of the period on which it began so earning, as is necessary to complete the period of 30 days for the purposes of that paragraph.

(7) For the purposes of paragraph (6) above, additional interest shall be calculated using the rate of interest from time to time applicable to money deposited in the relevant account during the additional period (and, where the applicable rate would have depended on the balance of that account at any time, regard shall be had to the actual balance at that time, without treating any interest as having been calculated and added to the principal on a date earlier than that on which it was so added, except that a balance of at least one pound shall always be assumed for the purposes of this paragraph).

(8) For the purposes of the preceding paragraphs of this regulation, a withdrawal shall be deemed to be made on the earliest day on which the relevant payment warrant is payable.

(9) Every notice of withdrawal under paragraph (1) above shall be given 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 depositor or other person entitled to sign the application.

(10) In relation to an application for withdrawal in accordance with paragraph (9) above, regulation 21 above shall apply as if the words ‘on the expiration of one month beginning with the day on which the application is received at the principal office of the National Savings Bank’ were inserted after the words ‘requesting that payment be made’ in regulation 21(1).

(11) Every notice of transfer under paragraph (1) above shall be given by sending or delivering to the Director of Savings at the principal office of the National Savings Bank an application for transfer in the approved form requesting that the transfer be made on the expiration of one month beginning with the day on which the application is received at the principal office, and the application shall be accompanied by the relevant deposit book.”.

14th March 1996

Bowen Wells
Michael Bates
Two of the Lords Commissioners of Her
Majesty's Treasury

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

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the National Savings Bank Regulations 1972 so as to allow an instant access facility to be offered in relation to investment accounts. Hitherto, depositors have normally been required to give one month's notice of withdrawal of investment deposits. The amendment will allow the Director of Savings to permit withdrawals on the basis that, instead of giving one month's notice, the depositor will forfeit a sum equivalent to the interest earned on the amount to be withdrawn during the 30 days preceding the withdrawal (the facility will not be available in relation to sums which have been deposited for less than 30 days). Provision is also made for the instant withdrawal of interest. None of this will affect a depositor's right to make withdrawals without penalty on giving one month's notice.