
STATUTORY INSTRUMENTS

2003 No. 2895

SAVINGS BANKS

National Savings Bank (Amendment) Regulations 2003

Made - - - - *2nd December 2003*
Laid before Parliament *3rd December 2003*
Coming into force - - *5th January 2004*

The Treasury, in exercise of the powers conferred upon them by section 2 of the National Savings Bank Act 1971(1), as extended by sections 3(1A), 3(2), 4(1), 4(2)(f), 4(4), 6(1), 7(2), 8, and 9(1) of that Act, and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the National Savings Bank (Amendment) Regulations 2003, and shall come into force on 5th January 2004.

Amendment of the 1972 Regulations

2. The National Savings Bank Regulations 1972(2) shall be amended in accordance with regulations 3 and 4 of these Regulations.

3. After regulation 2, insert—

“Disapplication of particular regulations to certain accounts

2A. The following provisions of these Regulations shall not apply to an investment account of any description for which terms and conditions have been set pursuant to section 9A(1) of the National Savings Bank Act 1971—

- (a) regulations 4(3) to 4(5) (inclusive);
- (b) regulations 5 and 6;
- (c) regulations 8 to 19 (inclusive);
- (d) regulations 21 and 25;

(1) 1971 c. 29

(2) S.I. 1972/764; relevant amending instruments are S.I. 1974/553, 1981/484, 1982/1282, 1982/1762, 1983/1750, 1984/9, 1988/2144, 1989/25, 1989/2045, 1991/72, 1992/2892, 1996/801, 1996/1724, 1998/1446, 1999/588, 1999/1611.

- (e) regulations 27 to 29 (inclusive);
- (f) regulations 30 to 33 (inclusive);
- (g) regulations 35 to 38A (inclusive); and
- (h) regulations 42 and 46(2).

Closure of ordinary deposit accounts

2B. Notwithstanding regulations 16(2), 20, 22(1), 28(2) and 43 below—

- (a) an ordinary account may not be opened after 28th January 2004,
- (b) an ordinary deposit may not be made after 31st July 2004, and
- (c) any withdrawal from an ordinary account after 31st July 2004

must be for the whole amount standing to the credit of the account at the date of withdrawal and any accrued interest that has not been credited to the account.”.

4. In regulation 11(5), after “1st January 1990” insert “and to an account opened after 28th January 2004 by transferring all the money held in an ordinary account to that account”.

Amendment of the 1977 Limits Order

5. The National Savings Bank (Investment Deposits)(Limits) Order 1977(3) shall be amended in accordance with the following provision of these Regulations.

6. After article 3, insert—

“**3ZA.** Article 3 shall not apply to an investment account of any description for which terms and conditions have been set pursuant to section 9A(1) of the National Savings Bank Act 1971.”.

2nd December 2003

Derek Twigg
Nick Ainger
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the National Savings Bank Regulations 1972 (“the 1972 Regulations”) and the National Savings Bank (Investment Deposits)(Limits) Order 1977 (“the Order”).

The 1972 Regulations are amended so that some of those Regulations will not apply to an investment account of any description which is first made available after 10th July 2003 and for which terms and conditions are published by the Director of Savings. Instead, such an investment account will be governed both by the terms and conditions issued with the account and by any of the 1972 Regulations that still apply to the account.

The 1972 Regulations are also amended so as to make provision for the closing of ordinary accounts. An ordinary account may not be opened after 28th January 2004. Deposits into existing ordinary accounts will not be allowed after 31st July 2004 and no withdrawal will be allowed after that date unless it is to withdraw all the money in the account so as to close the account.

The 1972 Regulations are also amended so as to enable the trustees or treasurer of a charitable or other society to close an ordinary account after 28th January 2004 and transfer the amount held in that account to an investment account.

The Order is amended so that the limits imposed by it on the amount that may be held in an investment account will not apply to an investment account of any description which is first made available after 10th July 2003 and for which terms and conditions are published by the Director of Savings. Instead, the maximum that may be held in such an investment account will be set by the terms and conditions issued with the account.