

EXPLANATORY MEMORANDUM TO
THE NATIONAL SAVINGS REGULATIONS 2015

2015 No. 623

1. This explanatory memorandum has been prepared by the Treasury and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 The purpose of these Regulations is to consolidate the secondary legislation made under National Savings Bank Act 1971 including the National Savings Bank Regulations 1972 (S.I. 1972/764) and the National Savings Bank (Investment Deposits) (Limits) Order 1977 S.I. 1977/1210, and other relevant secondary legislation following negative resolution procedure. These Regulations are being laid contemporaneously with the National Savings (No. 2) Regulations 2015, which consolidates secondary legislation made under the National Debt Act 1972 and which follows a different parliamentary procedure. Those Regulations are required to be laid after making but are not subject to any further parliamentary procedure.

2.2 This consolidation exercise will achieve two sets of regulations covering all accounts offered by National Savings and Investments and all savings products issued under the auspices of the Director of Savings on behalf of Her Majesty's Treasury.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Context

4.1 The Treasury raises money under section 12 of the National Loans Act 1968 (c. 13) by issuing securities under the auspices of the Director of Savings, who is a statutory office-holder and the Chief Executive of NS&I. The Director of Savings runs the business of the National Savings Bank under section 1 of the National Savings Bank Act 1971.

4.2 The consolidation of the regulations is part of the Red Tape Challenge initiative led by Cabinet Office and will reduce the administrative burden on the public by standardising and simplifying the regulations governing the products issued by National Savings and Investments. A total of 113 measures will be removed from the statute book.

5. Territorial Extent and Application

5.1 This instrument applies to Great Britain and Northern Ireland, the Isle of Man and the Channel Islands.

6. European Convention on Human Rights

6.1 As the instrument is not subject to affirmative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

What is being done and why

7.1 As part of its modernisation programme, NS&I identified that many of the regulations which govern the way in which its products are offered to the public were in need of rationalisation.

7.2 NS&I has made a great number of changes to its products and services over the years and as a result of this work, some regulations are no longer necessary (113 measures have been identified as being redundant and will be removed following consolidation).

7.3 In addition changes to products have meant that regulations have been amended and as a result the regulations no longer detail the obligations of NS&I succinctly, making them difficult to understand.

7.4 The consolidation aims to improve the quality of the legislation that remains, removing redundant provisions and using modern “plain English” drafting techniques to make it easier to read.

7.5 The following amendments will affect the legislation listed below.

Statutory Instrument	Procedure	Act
National Savings Bank Regulations 1972	Negative	Ss 2, 3(2), 6(1), 7(2), 8, 9(1), 15(3) National Savings Bank Act 1971
National Savings Bank (Investment Deposits) (Limits) Order 1977	Negative	S.4 National Savings Bank Act 1971

7.6 The Regulations also modify references in other secondary legislation remaining in force, (see modifies column below). This ensures that where NS&I operations or products are mentioned in other legislation, the references are updated to take account of this consolidation exercise. The legislation affected is fairly minimal.

Regulation	Referenced in
National Savings Bank Regulations 1972	s125(5)(a) Finance Act 2009 Schedule 1, para 3 Contracting Out (Functions Relating to National Savings) Order 1998

- **Consolidation**

These amendments achieve consolidation.

8. Consultation outcome

8.1 The public consultation ran for five weeks from 8 March to 11 April 2013 and was displayed prominently on the RTC website. The public were asked to identify which pieces of NS&I's legislation could be scrapped or improved upon. We received no public responses

9. Guidance

9.1 No guidance has been produced for this legislative change. However, NS&I will provide information and guidance to customers. Terms and conditions will be re-published and made available from National Savings and Investments by post and on NS&I's website (www.nsandi.com).

10. Impact

10.1 There is no impact on business, charities or voluntary bodies.

10.2 There is no impact on the public sector.

10.3 In parallel to the consultation, NS&I carried out an internal review of their regulations. NS&I have concluded that there are no obvious changes that could be made to their regulations that would have a meaningful impact on business efficiency, the wider financial services market, or customer satisfaction.

10.4. Consolidation will reduce NS&I secondary legislation on the statute book by 113 pieces of regulation.

11. Regulating small business

11.1 This instrument does not apply to small business

12. Monitoring & review

12.1 While no specific review of these amendments is planned, the Treasury keeps all legislation governing NS&I under review, to ensure that NS&I is able to carry out its functions effectively.

13. Contact

13.1 Angela Bascombe-McCarthy at NS&I (Tel: 020 7932 6680 or email: angela.bascombe-mccarthy@nsandi.com) can answer any queries regarding the instrument.