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## STATUTORY INSTRUMENTS

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# 2015 No. 623

## The National Savings Regulations 2015

### PART 2

#### Deposits in the National Savings Bank

##### CHAPTER 1

###### Closure of or restrictions in relation to certain accounts

###### **Closure of ordinary deposit accounts**

**3.—**(1) No ordinary account may be opened, and no ordinary deposit may be made.

(2) An application to withdraw from an ordinary account must be for the balance of the account at the date of withdrawal including accrued interest not yet credited to the account.

(3) Where no application to withdraw from an ordinary account in accordance with paragraph (2) was made before 12th May 2008, the Director of Savings may transfer that balance and accrued interest to an investment account in the name of the depositor.

(4) Where the Director of Savings is unable for any reason to transfer the balance due on an ordinary account in accordance with paragraph (3), the Director of Savings may transfer the balance and accrued interest to a special Director's account.

###### **Closure of certain individual savings accounts**

**4.—**(1) No deposit may be made in a relevant ISA.

(2) The Director of Savings may transfer the balance in a relevant ISA at the date of transfer including accrued interest not yet credited to the account to a Direct ISA opened in the name of the depositor.

(3) In this regulation—

“Direct ISA” means an individual savings account for which terms and conditions have been set under section 9A(1) of the 1971 Act<sup>(1)</sup>;

“relevant ISA” means an individual savings account other than a Direct ISA.

##### CHAPTER 2

###### Accounts and transactions

###### **Transaction of savings bank business**

**5.** Savings bank business is to be transacted at the places determined, and by the persons authorised, by the Director of Savings.

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(1) Section 9A was inserted by the Finance Act 2003 (c. 14), section 208(11).

### **Declaration by a depositor**

6.—(1) A depositor on opening an account, and where required afterwards by the Director of Savings, must—

- (a) make and sign a declaration in the approved form setting out—
  - (i) the depositor's full name and address and, if required, date of birth and occupation; and
  - (ii) the particulars of each account the depositor already has with the National Savings Bank (including any joint account in which the depositor's name appears); and
- (b) if required, provide a specimen signature.

(2) Paragraph (1)(a)(ii) does not apply where the depositor is to be or is described in an account as a trustee under regulations 12 or 13.

(3) This regulation does not apply to an account where—

- (a) the account is opened under an enactment which dispenses with the making of a declaration; or
- (b) the Director or Savings directs that the making of a declaration is not required.

### **Declaration by a depositor who is a trustee**

7.—(1) Where an account is opened or held by a trustee, otherwise than under regulation 13, the declaration in the approved form must include the particulars of each account with the National Savings Bank in which is held money belonging to the same trust fund.

(2) For the purposes of paragraph (2), money held in the name of the trustee in another account is deemed to belong to the same trust fund, unless that account differs as respects—

- (a) the purposes of the trust;
- (b) the powers of the trustee;
- (c) the identity of any beneficiary; or
- (d) the respective interests of any beneficiary.

(3) The declaration in the approved form required to be made by a trustee under regulation 13 must include the particulars of each account with the National Savings Bank held in the trustee's name in relation to which that trustee is a trustee for the same, and no other, beneficiary (including a joint account opened under regulation 13).

(4) This regulation does not apply to an account where—

- (a) it is opened under an enactment which dispenses with the making of a declaration; or
- (b) the Director or Savings directs that the making of a declaration is not required.

### **Depositors generally**

8.—(1) A deposit may be made by and in the name of a person who has attained the age of sixteen years and who is not under any legal disability otherwise than by reason of age.

(2) No account may be opened in the name of a person who is not an individual, except an account opened—

- (a) in the name of a trustee; or
- (b) under regulations 17 to 20.

### **Accounts of minors under sixteen years of age**

**9.—**(1) A deposit may be made on behalf and in the name of a minor under the age of sixteen years by that minor's parent, guardian or grandparent.

(2) The declaration in the approved form must be made by the person opening the account, and must include the required information in relation to both that person and the minor.

(3) Having attained the age of sixteen years the minor must, on being required to do so, make a declaration in the approved form and, if required, provide a specimen signature.

(4) As long as the minor is under the age of sixteen years, the Director of Savings must only communicate with, accept instructions from, and pay deposits to a person appearing to the Director of Savings to be a person responsible for that minor.

(5) Where the conditions in paragraph (6) are satisfied in relation to an account—

(a) paragraph (4) does not apply; and

(b) paragraph (3) and regulations 8 and 28 have effect as if each reference to "sixteen years" were a reference to "seven years".

(6) The conditions are that—

(a) the application to open the account was received by the Director of Savings in the approved form before 28th November 2011; and

(b) the minor attained the age of seven years before 21st May 2012.

### **Accounts of persons who lack capacity**

**10.—**(1) A deposit may be made on behalf and in the name of a person who lacks capacity by that person's deputy.

(2) The declaration in the approved form must be made by the deputy who must specify the capacity in which the deputy acts.

(3) An application to withdraw or transfer deposits held in the name of a person who lacks capacity must be made by that person's deputy.

(4) Where a depositor is a person who lacks capacity and there is no deputy by whom an application to withdraw or transfer deposits might be made, the Director of Savings may, upon it being shown that it is expedient to do so, pay the deposits to a person the Director of Savings is satisfied is a proper person to receive payment.

### **Joint accounts**

**11.—**(1) Subject to paragraph (2), a deposit may be made jointly in the names of two or more persons entitled to make deposits.

(2) No new account may be opened in the names of more than two persons.

(3) A declaration in the approved form must be made by each person in whose name the account is to be opened.

(4) The persons in whose names an account is held or is to be opened may jointly, in the approved form, authorise the Director of Savings to act on an application made by one of those persons to withdraw or transfer deposits, but in the absence of an authorisation an application to withdraw or transfer deposits must be made jointly by all of them or by such of them as have survived.

(5) An authorisation under paragraph (4) is revoked upon the receipt by the Director of—

(a) an application under paragraph (6); or

(b) notice of the following, in relation to the persons in whose names an account is open—

- (i) the death of one of them;
- (ii) the making of a receiving order against one of them;
- (iii) the appointment of a trustee in the bankruptcy of one of them; or
- (iv) that one of them becoming a person who lacks capacity whether or not a deputy has been appointed.

(6) Upon application in the approved form by all the persons in whose names the account is held, or by such of them as have survived, the Director of Savings may remove the name of any of those persons from the title of an account.

(7) This regulation does not apply where an account is held jointly in the names of trustees under regulation 12 or jointly in the names of a trustee and a beneficiary under regulation 13.

### **Trust accounts**

**12.—**(1) A deposit may be made in the name of one or more trustees.

(2) A declaration in the approved form must be made by—

- (a) each trustee in whose name an account is to be opened; and
- (b) each trustee whose name is to be added in the title of an account.

(3) Upon application in the approved form by a sole trustee of an account or, where an account is held in the names of two or more trustees, by all of them or by such of them as have survived, the Director of Savings may—

- (a) add the name of a person as a trustee in the title of an account; or
- (b) remove the name of a trustee from the title of an account.

(4) Where an account is held in the names of more than one trustee, the trustees may authorise in the approved form, made by all of them or such of them as have survived, the Director of Savings to act on an application made by one of those trustees to withdraw or transfer deposits, but in the absence of an authorisation an application to withdraw or transfer deposits must be made by all of the trustees, or such of them as have survived.

(5) Before giving effect to a multiple trustee application the Director of Savings may require that all the trustees nominate jointly in the approved form no more than two of themselves to—

- (a) make applications to withdraw or transfer deposits; and
- (b) receive payments or communications from the Director of Savings.

(6) Upon application in the approved form by the trustees (acting jointly), the Director of Savings may substitute a trustee for a trustee nominated under paragraph (5).

(7) In this regulation a “multiple trustee application” means an application—

- (a) to open an account in the names of more than two trustees; or
- (b) to add the name of a person as a trustee in the title of an account where the account is already held in the names of two or more trustees;

### **Trust accounts held jointly by trustees and beneficiaries**

**13.—**(1) A deposit may be made by one person as trustee for another person as beneficiary jointly in the names of the trustee and the beneficiary, but no new account may be opened under this paragraph.

(2) A declaration in the approved form must be made by the trustee.

(3) An application to withdraw or transfer deposits must be made by the trustee and beneficiary acting jointly or by the survivor of them.

(4) Where the trustee or the beneficiary has become a person who lacks capacity or bankrupt, the Director of Savings may pay the deposits to the other party with or without the agreement of the deputy, Official Receiver or trustee in bankruptcy, if any.

(5) The Director of Savings may, on the application of the trustee or the beneficiary—

- (a) put the account in the name of the beneficiary alone; or
- (b) substitute the trustee with another trustee, in which case the new trustee must make a declaration in the approved form.

### **Accounts of friendly societies**

**14.—**(1) This regulation applies only in relation to an account opened before 1st January 1990.

(2) A deposit may be made by a friendly society through its trustees either in the name of the society or in the name of the trustees.

(3) The full name of the society must be entered in the title of the account.

(4) The trustees must provide to the Director of Savings—

- (a) a copy of the rules of the society; and
- (b) an application in the approved form for authority to make deposits, signed by the trustees, which must specify the officers or members of the society who must sign applications to withdraw or transfer deposits.

(5) Where a friendly society is a branch of a larger friendly society, officers or members of the central body or of another branch of that larger society may be specified as persons who must sign applications to withdraw or transfer deposits.

(6) The trustees may, by direction in the approved form, amend their application for authority to make deposits so far as it relates to the specification of the officers or members of the society who must sign applications to withdraw or transfer deposits.

(7) Despite paragraphs (4)(b), (5) and (6), an application to withdraw or transfer deposits may be made by a person recognised by the Director of Savings as entitled to sign the application.

### **Accounts of charitable and other societies**

**15.—**(1) This regulation applies only in relation to an account opened (a) before 1st January 1990 or (b) after 28th January 2004 by transferring an amount held in an ordinary account to that account.

(2) A deposit may be made by the trustees or treasurer of a charitable society or by the trustees or treasurer of any other society of amounts belonging to a fund, being a fund which the Director of Savings considers appropriate to be deposited in the National Savings Bank.

(3) The trustees or treasurer must provide to the Director of Savings—

- (a) a copy of the rules of the society or, if there are no rules, a statement of the object, constitution and character of the society; and
- (b) subject to paragraph (5), an application in the approved form for authority to make deposits, signed by the trustees or treasurer, which must specify the officers or members of the society who must sign applications to withdraw or transfer deposits.

(4) Subject to paragraph (5), the trustees or treasurer may, by direction in the approved form, amend their application for authority to make deposits so far as it relates to the specification of the officers or members of the society who must sign applications to withdraw or transfer deposits.

(5) An application to withdraw or transfer deposits may be made by a person recognised by the Director of Savings as entitled to sign the application.

(6) In this regulation “society” includes an unincorporated body of persons.

### **Accounts of building societies, industrial and provident societies and corporations**

- 16.**—(1) This regulation applies only in relation to an account opened before 1st January 1990.
- (2) A deposit may be made in the name of—
- (a) a building society within the meaning of the Building Societies Act 1986<sup>(2)</sup> (or under enactments repealed by that Act);
  - (b) in the name of a society registered under the Industrial and Provident Society Act 1965<sup>(3)</sup>, the Industrial and Provident Societies Act (Northern Ireland) 1969<sup>(4)</sup> or the Co-operative and Community Benefit Societies and Credit Unions Act 2010<sup>(5)</sup>; or
  - (c) subject to the approval of the Director of Savings, in the name of any other body corporate or in the name of a corporation sole.
- (3) In the case of a corporation sole, a declaration in the approved form must be made by the person constituting the corporation.
- (4) An application to withdraw or transfer deposits must be made—
- (a) in the case of a society or other body corporate—
    - (i) under its seal;
    - (ii) by the secretary or treasurer; or
    - (iii) by two of the directors;
  - (b) in the case of a corporation sole, by the person constituting the corporation.

### **Accounts of government departments and public authorities**

- 17.** Subject to the approval of the Director of Savings and to any conditions imposed by the Director of Savings—
- (a) a deposit may be made on behalf of a government department or office, or any public authority;
  - (b) deposits (and withdrawals or transfers) must be made by a responsible officer in that person's official capacity; and
  - (c) the account must be opened in the name of the official title of that officer with any additional description required by the Director of Savings.

### **Accounts of the Sheriff Clerk in Scotland**

- 18.**—(1) A deposit may be made in Scotland by the Sheriff Clerk of a Sheriff Court under the authority of any enactment.
- (2) An application to open an account must be made in the approved form, signed by the Sheriff Clerk in the presence of a witness.
- (3) An application to withdraw or transfer deposits must be signed by the Sheriff Clerk.
- (4) Where deposits held in the name of a Sheriff Clerk are transferred into the name of the Sheriff Clerk of another Sheriff Court, the Sheriff Clerk into whose name the deposits are transferred must apply to open an account under paragraph (2).
- (5) In this regulation references to the Sheriff Clerk include references to the Sheriff Clerk Depute.

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(2) 1986 c. 53.

(3) 1965 c.12.

(4) 1969 c.24.

(5) 2010 c. 7.

## **Accounts of County Courts in Northern Ireland**

**19.**—(1) A deposit may be made in Northern Ireland jointly in the names of a County Court Judge and a Clerk of the Crown and Peace.

(2) An application to open an account must be made in the approved form, signed by the Clerk of the Crown and Peace.

(3) An application to withdraw or transfer deposits must be signed by the Clerk of the Crown and Peace and, except where otherwise authorised by the rules of the Court, must be accompanied by a certified copy of an order of the Court authorising it.

(4) Where deposits held in the name of a County Court Judge and a Clerk of the Crown and Peace are transferred into the names of another County Court Judge and Clerk of the Crown and Peace, the Clerk of the Crown and Peace into whose name the deposits are transferred (jointly with the County Court Judge) must apply to open an account under paragraph (2).

(5) In this regulation references to a County Court Judge include references to a Recorder.

## **Accounts of the Public Trustee**

**20.**—(1) A deposit may be made by the Public Trustee acting—

- (a) in relation to any estate which the Public Trustee is administering or acting as custodian trustee or as ordinary trustee; or
- (b) as trustee on behalf of any person.

(2) An application to open an account must be made in the approved form, signed by the Public Trustee or by an officer of the Public Trustee authorised in writing to do so.

(3) The title of each account opened by the Public Trustee must specify the name of the estate or person in relation to which the account is opened, and must include any additional description required by the Director of Savings.

(4) An application to withdraw or transfer deposits, whether held in the name of the Public Trustee alone or jointly with another person, must be signed by the Public Trustee or by an officer of the Public Trustee authorised in writing to do so, and may be signed by the Public Trustee (or authorised officer) alone.

(5) An authority given by the Public Trustee under this regulation must be lodged with the Director of Savings at least 48 hours before any application under the authority is made.

## **CHAPTER 3**

### **Deposits, withdrawals and transfers, etc.**

## **Deposit books, transaction records and statements**

**21.**—(1) No new deposit books may be issued by the Director of Savings, and no new entries in relation to transactions may be made in deposit books.

(2) A deposit book remains the property of the Director of Savings and must be delivered up when required.

(3) Following any transaction, other than a deposit made by electronic transfer, the Director of Savings must issue promptly to the depositor a statement which confirms the details of the transaction and indicates the balance of the account immediately after the transaction.

(4) The Director of Savings must issue promptly to each depositor—

- (a) an interim statement on request; and
- (b) an annual statement after 1st January each year.

(5) In this regulation—

“annual statement” means a statement which—

- (a) is for the calendar year ending with 31st December immediately preceding the issue of the statement; and
- (b) shows in relation to an account—
  - (i) interest that has been added;
  - (ii) all transactions; and
  - (iii) the balance of the account at the end of that calendar year;

“interim statement” means a statement which—

- (a) is for the period of less than 12 months beginning with 1st January and ending with the day before the day on which the statement is issued; and
- (b) shows in relation to an account—
  - (i) all transactions; and
  - (ii) the balance of the account at the end of that period;

“transaction”, in relation to a depositor’s account, means any deposit, withdrawal, transfer or repayment.

### **Withdrawals of ordinary deposits**

**22.**—(1) Subject to regulation 3 (closure of ordinary deposit accounts), this regulation applies to applications to withdraw ordinary deposits.

(2) Subject to paragraph (3), an application to withdraw ordinary deposits may be made without notice at any savings bank office.

(3) Paragraph (2) is subject to the following—

- (a) an application to withdraw may be refused if, as regards a particular office, payment at that office would inconvenience the business of that office;
- (b) the depositor must attend in person to make the application and must produce the deposit book (if one was issued);
- (c) the depositor must sign a receipt in the approved form and, if required by the paying officer, make the signature in the paying officer’s presence;
- (d) the deposit book may be retained by the paying officer for passing to the Director of Savings.

(4) The Director of Savings may direct that this regulation does not apply in relation to any account.

### **Investment deposits**

**23.**—(1) This regulation applies to investment deposits.

(2) An investment deposit may be made—

- (a) by cheque, postal order or banker’s draft sent to the principal office of the National Savings Bank; or
- (b) subject to paragraph (3), by electronic transfer.

(3) The first deposit in an investment account may not be made by electronic transfer without the prior approval of the Director of Savings.

(4) The minimum amount that may be deposited in an investment account is—



- (a) £20 if the deposit is made by cheque, postal order or banker's draft; or
- (b) £1 if the deposit is made by electronic transfer.
- (5) The minimum balance of deposits required for an account is £1.
- (6) The maximum amount of deposits that may be held in the name of a person, whether in one or more than one account, is £1,000,000, and where deposits are held jointly, each person in whose name those deposits are held is to be treated as credited with an equal share of those deposits.
- (7) Where deposits are held in the name of one or more trustees, those deposits are to be ignored for the purposes of determining the amount credited to a person for the purpose of paragraph (6).
- (8) The maximum amount of deposits that may be held in the name of a trustee, whether solely or jointly with another person, and whether in one or more than one account, is £1,000,000 in relation to each separate trust.
- (9) For the purposes of paragraph (8), trusts are to be treated as separate to the extent that they differ as respects—
  - (a) the identity of the trustees;
  - (b) the powers of the trustees;
  - (c) the identity of the beneficiaries; or
  - (d) the respective interests of the beneficiaries.
- (10) No account may contain investment deposits in excess of £2,000,000.
- (11) Paragraphs (5) to (10) do not apply in relation to individual savings accounts.
- (12) Paragraphs (5) to (11) do not apply in relation to an investment account of any description for which terms and conditions have been set under section 9A(1) of the 1971 Act<sup>(6)</sup>.
- (13) Nothing in paragraphs (6) to (10) operates to prevent—
  - (a) the receipt or crediting of an amount allowed to a depositor as interest on deposits;
  - (b) the receipt or crediting of an amount transferred from an investment deposit account of another depositor (in the National Savings Bank) who has died;
  - (c) the crediting of any amount—
    - (i) by the Director of Savings under regulation 92 of the National Savings (No. 2) Regulations 2015<sup>(7)</sup>; or
    - (ii) paid under article 21 of the National Savings Stock Register (Closure of Register to Gilts) Order 1998<sup>(8)</sup>, or an amount received or credited in contravention of article 21 from being treated as having been lawfully received or credited for a period the Director of Savings considers appropriate, provided that—
      - (aa) at the time the amount was received or credited the Director of Savings was unaware of the contravention; and
      - (bb) the Director of Savings considers it just and reasonable that the amount be treated in this way;
  - (d) the receipt of an amount for, or the crediting of an amount to, an account of the Accountant General of the Court of Judicature of Northern Ireland;
  - (e) the receipt or crediting of an amount to an individual savings account transferred by an account manager under the 1998 Regulations;

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<sup>(6)</sup> Section 9A was inserted by the Finance Act 2003 (c. 14), section 208(11).

<sup>(7)</sup> S.I. 2015/624.

<sup>(8)</sup> S.I. 1998/1446.

- (f) the crediting of any amount transferred from an investment deposit account in which it is prohibited to make deposits—
  - (i) as a result of regulations made under section 8(3)(d) of the 1971 Act<sup>(9)</sup> (regulations prohibiting the making of deposits in investment accounts of a prescribed description); or
  - (ii) as a result of terms and conditions set under section 9A(1) of the 1971 Act<sup>(10)</sup> having equivalent effect.

(14) In calculating for the purposes of this regulation the amount held in the name of a person, the Director of Savings must not take into account a deposit of a trustee on behalf of that person in relation to an account opened under regulation 13 in the joint names of the trustee and that person.

### **Withdrawals of investment deposits**

**24.**—(1) This regulation applies to applications to withdraw investment deposits.

(2) The Director of Savings may, if the Director of Savings considers it expedient, dispense with any (or all) requirements in these Regulations in order to—

- (a) vary the procedure for making an application to withdraw;
- (b) vary the method of making payment; or
- (c) make payment in any manner the Director of Savings considers appropriate.

(3) An application to withdraw must be made to the principal office of the National Savings Bank in the approved form, and must be signed by the depositor or by a person entitled to make the application.

(4) An application to withdraw may include a request—

- (a) that payment be made to the depositor (or person entitled to receive payment under these Regulations)—
  - (i) by electronic transfer to an account specified in the application; or
  - (ii) by crossed warrant; or
- (b) that any amount payable be used—
  - (i) to make a deposit in another account in the name of the depositor in the National Savings Bank; or
  - (ii) to purchase, in the name of the depositor, securities issued under the auspices of the Director of Savings to raise money under section 12 of the National Loans Act 1968<sup>(11)</sup>,

and is to be treated by the Director of Savings as authority to give effect to that request.

(5) The Director of Savings may—

- (a) refuse an application to withdraw to the extent that it relates to a deposit not yet received in cleared funds;
- (b) limit the number of crossed warrants which may be issued to or under the direction of the same applicant in any calendar year;
- (c) refuse an application to withdraw where it is for an amount less than a specified amount fixed for this purpose by the Director of Savings; or
- (d) refuse a request under paragraph 4(b).

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<sup>(9)</sup> Section 8(3) was inserted by the Finance Act 2003 (c. 14), sections 208(1), (8) and (10).

<sup>(10)</sup> Section 9A was inserted by the Finance Act 2003 (c. 14), section 208(11).

<sup>(11)</sup> 1968 c. 13; section 12 was amended by the Finance Act 1982 (c. 39) sections 152(1) and 152(2) and the Postal Services Act 2011 (c. 5) section 91(1), (2), Schedule 12, Part 3, paragraph 8.8(a) and (b).

(6) An application to withdraw must be accompanied by the deposit book relating to the deposits (if one was issued).

(7) Where an application to withdraw is made by more than one person, the applicants may request that the sum withdrawn be paid to any one or more of them to the exclusion of the others.

(8) In relation to a society or body corporate, an application to withdraw may include a request that the sum withdrawn be paid to any officer of the society or body corporate or, where the society is a branch, to any officer of the central body or of any other branch.

(9) Where, pursuant to an application under paragraph (4)(a), a payment by electronic transfer is initiated—

- (a) a determination of the authority to make the payment does not deprive any person of a full discharge under these Regulations, where the payment is made in the normal course on being initiated;
- (b) receipt of the payment by the banker or other person with whom the specified account is kept shall be equivalent to receipt by a person entitled to payment of deposits from the investment account concerned.

(10) The death of a person who has made an application to withdraw shall not of itself terminate the authority under paragraph (4), but where the Director of Savings receives notice that the applicant has terminated the authority or has died—

- (a) where payment was requested by crossed warrant, the Director must not issue the warrant; or
- (b) if a crossed warrant has already been issued, or where payment was requested by electronic transfer, the Director of Savings must take reasonable steps to prevent payment being made.

(11) No application to withdraw may include a request for payment in cash.

### **Deposits to individual savings accounts**

**25.—**(1) An investment deposit may be made to the credit of an individual savings account opened under this regulation.

(2) An individual savings account may be opened by a person who has attained the age of sixteen years and who—

- (a) is resident in the United Kingdom;
- (b) though not resident in the United Kingdom, has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of the Income Tax (Earnings and Pensions) Act 2003<sup>(12)</sup>; or
- (c) though not resident in the United Kingdom, is married to, or is a civil partner of, a person to whom paragraph (b) applies.

(3) No deposit may be made to the credit of an individual savings account at any time when the depositor does not fulfil any of the conditions specified in paragraph (2)(a), (b) and (c).

(4) An application to open an individual savings account must be made in the approved form, and the depositor must provide any documents or other information required by the Director of Savings.

(5) A deposit to an individual savings account must be made—

- (a) by cheque sent to the principal office of the National Savings Bank or to any other savings bank office determined by the Director of Savings, accompanied by an application in the approved form;

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(12) 2003 c. 1; no relevant amendments.

- (b) by electronic transfer;
  - (c) by the transfer of an amount under these Regulations from another account in the National Savings Bank; or
  - (d) under instructions given by the authorised telephone procedure.
- (6) The minimum deposit to an individual savings account must be £10, but the Director of Savings may accept a lesser amount.
- (7) A depositor may not open more than one individual savings account in any financial year.

### **Withdrawals from individual savings accounts**

**26.**—(1) This regulation applies to applications to withdraw deposits from individual savings accounts, and regulation 24 (withdrawals of investment deposits) does not apply to such applications.

(2) The Director of Savings may, if the Director of Savings considers it expedient, dispense with any (or all) requirements in these Regulations in order to—

- (a) vary the procedure for making an application to withdraw;
- (b) vary the method of making payment; or
- (c) make payment in any manner the Director of Savings considers appropriate.

(3) An application to withdraw must be made—

- (a) to the principal office of the National Savings Bank in the approved form, signed by the depositor or by a person entitled to make the application; or
- (b) if payment is to be made to the home bank account or by crossed warrant, by the authorised telephone procedure.

(4) An application to withdraw must request that payment be made to the depositor (or person entitled to make the application)—

- (a) by electronic transfer to a specified account in that depositor's or person's name; or
- (b) by crossed warrant drawn in favour of that depositor or person,

and is to be treated by the Director of Savings as authority to give effect to that request.

(5) The Director of Savings may—

- (a) refuse an application to withdraw to the extent that it relates to a deposit not yet received in cleared funds;
- (b) limit the number of crossed warrants which may be issued to or under the direction of the same applicant in a calendar year;
- (c) refuse to issue a crossed warrant where the amount to be withdrawn is less than a specified amount fixed for this purpose by the Director of Savings.

(6) Where, pursuant to an application under paragraph (4)(a), a payment by electronic transfer is initiated—

- (a) a determination of the authority to make the payment shall not deprive any person of a full discharge under these Regulations, where the payment is made in the normal course on being initiated;
- (b) receipt of the payment by the banker or other person with whom the specified account is kept shall be equivalent to receipt by a person entitled to payment of deposits from the investment account concerned.

(7) The death of a person who has made an application to withdraw shall not of itself terminate the authority under paragraph (4), but where the Director of Savings receives notice that the applicant has terminated the authority or has died—

- (a) where payment was requested by crossed warrant, the Director must not issue the warrant; or
  - (b) if a crossed warrant has already been issued, or where payment was requested by electronic transfer, the Director of Savings must take reasonable steps to prevent payment being made.
- (8) No application to withdraw may include a request for payment in cash.

#### **Authorised telephone procedure in relation to individual savings accounts**

**27.—**(1) This regulation applies where, in relation to an individual savings account, these Regulations allow the use of the authorised telephone procedure.

- (2) The procedure is only be available where a depositor requests this—
- (a) on opening an account; or
  - (b) in the approved form signed by the depositor, delivered to the principal office of the National Savings Bank.
- (3) Only the depositor may give telephone instructions.
- (4) A request under paragraph (2) may be withdrawn in the approved form, signed by the depositor, delivered to the principal office of the National Savings Bank.
- (5) Where a request is made under regulation (2), the depositor must provide to the Director of Savings in the approved form—
- (a) a password, being any combination of letters, or letters and numbers, of the length and character required by the Director of Savings; and
  - (b) additional information of a personal nature relating to the depositor as may be agreed between the depositor and the Director of Savings for the purpose of verifying the depositor's identity.
- (6) The Director of Savings must arrange for the password and additional information to be recorded in an appropriately secure manner, having regard to the purpose for which they are to be used.
- (7) The password or additional information may be changed at the depositor's request, which must be in the approved form (subject to the requirements of paragraph (5)), and the change must be recorded in accordance with paragraph (6).
- (8) The telephone instructions must require—
- (a) the calling of an approved number by the depositor; and
  - (b) on connection, taking instructions from the depositor in an approved manner.
- (9) The Director of Savings must make reasonable arrangements (having regard to anticipated demand) to enable telephone instructions to be given on the days and between the hours the Director of Savings may approve, but the Director of Savings shall not be liable for any loss or damage arising from the failure of any person to be (or remain) connected for any reason.
- (10) Where the Director of Savings is satisfied that a person seeking to give telephone instructions in relation to an individual savings account is the depositor for that account, the Director of Savings must act upon those instructions.
- (11) The Director of Savings may make an audio recording of any telephone call in which telephone instructions are likely to be given.

### **Withdrawals by minors over sixteen years of age**

**28.** An application to withdraw deposits made by or in the name of a minor may be made by that person once they have attained the age of sixteen years.

### **Withdrawals in the case of bankrupt sole depositors**

**29.** Where it appears to the Director of Savings that—

- (a) a bankruptcy order has been made against a person who is a sole depositor;
- (b) a trustee has been appointed in the bankruptcy of a sole depositor; or
- (c) an order for the administration in bankruptcy of the estate of a deceased sole depositor has been made,

the Director of Savings may, on application by the Official Receiver or trustee, pay the deposits held in the name of the depositor to the Official Receiver or trustee.

### **Authority for payment to a third party (not in relation to an individual savings account)**

**30.** A depositor, in relation to deposits not in an individual savings account, may, subject to the approval of the Director of Savings, authorise any person to make an application to withdraw deposits, or to receive payment of deposits.

### **Authority for payment to third party from an individual savings account**

**31.—(1)** This regulation applies to payments of deposits from individual savings accounts by crossed warrants (under regulation 26).

(2) The authority for a person other than the person named in a warrant to receive payment must be either—

- (a) a power of attorney duly executed in the presence of a witness; or
- (b) an authority in the approved form, or a letter, signed in the presence of a person authorised for that purpose by the Director of Savings (but the Director of Savings may dispense with the requirement for a signature).

(3) Where a power of attorney, authority or letter authorises payment to be made to a firm, or to a body corporate or corporation sole, any person who is a member or officer of the firm or body corporate or corporation sole and who is able to demonstrate this to the satisfaction of the Director of Savings may present and receive payment under the warrant.

### **Transfers of deposits**

**32.—(1)** A depositor may apply to transfer deposits held in the depositor's name—

- (a) into the name of any other depositor; or
- (b) into an account to be opened in the name of any person entitled to make deposits.

(2) An application to transfer deposits must be made in the approved form and be accompanied by the deposit book relating to the deposits (if one was issued), unless directed otherwise by the Director of Savings.

(3) The Director of Savings may effect the transfer on being satisfied as to the title of the applicant to transfer the deposits.

(4) The death of an applicant shall not of itself terminate the authority for a transfer to be made; but if the Director of Savings receives notice before the transfer is effected that the applicant has died, the transfer must not be made.

- (5) In relation to the account of a deceased depositor—
- (a) the legal personal representative of the depositor, or
  - (b) any person entitled to payment under these Regulations of any amount held in the name of the depositor at the time of the depositor's death,
- may apply to transfer the amount into that person's name or that of another person.

### **Operation of a nomination**

**33.**—(1) Subject to paragraph (2), on the death of a nominator the Director of Savings must pay to the amount due to the nominee according to the directions of the nomination.

(2) Paragraph (1) is subject to the following—

- (a) if the nominee is under the age of sixteen years, the Director of Savings must not make a payment to that nominee until the nominee has attained that age; but the Director of Savings may, upon it being shown that it is expedient to do so, pay the amount (or any part of it) to a person who the Director of Savings is satisfied will apply it for the maintenance or otherwise for the benefit of that nominee;
- (b) if the nominee is a person who lacks capacity and for whom there is no deputy, the Director of Savings may pay the amount (or any part of it) to any person undertaking to maintain the nominee;
- (c) where it appears to the Director of Savings that the estate of the nominator, apart from the amount nominated, is insufficient—
  - (i) to meet the funeral expenses, or
  - (ii) to satisfy any claims of creditors of the nominator of which the Director of Savings has notice (including, in a case where the nominator was domiciled in Scotland, claims under the Succession (Scotland) Act 1964<sup>(13)</sup> and in relation to *jus relict*, *jus relict* or *legitim*),

the Director of Savings may pay the amount (or any part of it) towards satisfaction of the funeral expenses or any such claims.

(3) Where a person who is a nominee dies after the nominator has died but before the payment of an amount due to that person as nominee has been made, these Regulations apply as if that payment had been made before that person's death and had been paid into an account with the National Savings Bank in that person's name.

(4) Where a nominee to whom a payment may be made under this regulation has not attained the age of sixteen years, the nominee's receipt for the payment is a valid receipt without the signature of any other person, and no rule of law which would, apart from this paragraph, necessitate the signature of another person has effect.

## **CHAPTER 4**

### **Interest on deposits**

#### **Interest on investment deposits**

**34.**—(1) This regulation applies to interest on investment deposits.

(2) Interest commences—

- (a) in relation to deposits made before 1st January 1984, on the first day of the month next following the day of deposit; and

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(13) 1964 c. 41.

- (b) in any other case, on the day of deposit,  
and shall cease on the day preceding the day on which the deposit is withdrawn.
- (3) Subject to paragraph (4), interest must be calculated—
  - (a) in the case of deposits in an individual savings account, to 5th April in each year; or
  - (b) in any other case, to 31st December in each year,
 and in both cases must be added to and become part of the principal.
- (4) Interest must not be calculated in the case of an account—
  - (a) containing less than £1, on any of that amount; or
  - (b) containing £1 or more, on any amount less than one penny or any multiple of one penny.
- (5) A deposit made by electronic transfer is deemed to have been made on the day on which the amount was credited to the account.
- (6) A deposit—
  - (a) that was a first deposit made under instructions given by telephone before 28th November 2011; or
  - (b) made under instructions given by the authorised telephone procedure (under regulation 27),
 is deemed to have been made on the day when the instructions were accepted by the Director of Savings.
- (7) A deposit withdrawn in accordance with these Regulations is deemed to have been withdrawn—
  - (a) where payment was made by warrant, on the earliest day on which the warrant was payable; or
  - (b) where payment was made by electronic transfer, the day on which the payment would, in the normal course, have been received by the banker or other person with whom the receiving account was kept.

### **Interest on ordinary deposits**

**35.** For the purposes of section 5 of the 1971 Act<sup>(14)</sup> (interest on ordinary deposits), and without prejudice to section 7 of that Act<sup>(15)</sup> (withdrawal of deposits), and subject to regulation 3 (closure of ordinary deposit accounts), ordinary deposits withdrawn in accordance with these Regulations shall, where payment is made by warrant, be deemed to have been withdrawn on the date appearing on the warrant, which must be no earlier than the date on which the warrant is posted.

## **CHAPTER 5**

### **Other administrative provisions relating to deposits**

#### **Coupon deposit books**

**36.** Where a coupon deposit book containing coupon receipts has, before 1st July 1972, been issued to a depositor, the depositor may apply at a savings bank office for the deposits represented by the coupon receipts to be repaid or credited to a savings bank account.

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<sup>(14)</sup> Section 5 was amended by the Finance Act 1989 c. 26 sections 184(2) to (4), 187, Schedule 17, Part XIII.

<sup>(15)</sup> Section 7 was amended by the Finance Act 1982 c. 39 section 151, Schedule 20, paragraph 6.



### **Payment of deposits without an application to withdraw**

**37.**—(1) In the case of an investment account other than an account for which terms and conditions have been set under section 9A(1) of the 1971 Act<sup>(16)</sup>, or an individual savings account, the Director of Savings may pay deposits to a depositor without having received an application to withdraw, including where—

- (a) the Director of Savings is satisfied that the deposits were not made in accordance with these Regulations;
- (b) there are reasonable grounds to suspect that the depositor—
  - (i) has provided false information; or
  - (ii) has made a deposit in connection with an illegal purpose;
- (c) a declaration required under these Regulations has not been received within a reasonable period; or
- (d) the balance of the account is less than the minimum required by regulation 23.

(2) Deposits to which this regulation applies and any interest payable may be paid by any means, including crediting the amount to a different account in the name of the depositor in the National Savings Bank.

### **Exemption from stamp duty**

**38.** No warrant or other order for the payment of deposits in the National Savings Bank, and no power of attorney or other document relating solely to the payment or receipt of that amount, is liable to be charged with stamp duty.

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<sup>(16)</sup> Section 9A was inserted by the Finance Act 2003 (c. 14), section 208(11).