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## STATUTORY INSTRUMENTS

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# 2015 No. 624

## The National Savings (No. 2) Regulations 2015

### PART 4

#### Savings certificates

#### CHAPTER 2

#### Interest, payments and transfers, etc.

#### Accrual of interest

**44.**—(1) In relation to a rolled-over certificate or a certificate purchased after 19th September 2012, interest accrues on a daily basis for as long as the certificate is held.

(2) The interest that accrues on any day is an amount equal to  $\frac{1}{365}$ th of the value of the certificate on that day multiplied by the annual rate of interest (expressed as a percentage) which has been fixed for the current term of the certificate.

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#### Commencement Information

**II** Reg. 44 in force at 6.4.2015, see [reg. 1\(1\)](#)

#### Applications for payment

**45.**—(1) An application for payment of the amount repayable in relation to a certificate must be made by the holder of the certificate in the approved form (subject to the provisions of these Regulations relating to payment in the case of special classes of persons).

(2) An application under paragraph (1) may include a request for payment to be made on a specified date if—

- (a) the certificate was purchased before 20th September 2012 and is not a rolled-over certificate; and
- (b) the specified date, unless the Director of Savings agrees otherwise, is before the end of the period of two months starting on the date of the application.

(3) In the case of a multiple certificate, an application for payment may be made in relation to any number of the unit certificates represented by the multiple certificate.

(4) Where, in accordance with the prospectus relating to a money value series, a partial repayment of the purchase price (together with any other amount payable in relation to the part repaid) is made in relation to a money value certificate other than one to which paragraph (5) applies, a replacement certificate must be issued showing as its purchase price the amount of the original purchase price that has not been repaid.

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(5) Where, in accordance with the prospectus relating to a money value series, a partial repayment of the purchase price (together with any other amount payable in relation to the part repaid) is made in relation to a certificate to which this paragraph applies, a record must be made available showing—

- (a) the amount repaid;
- (b) the value of the part of the certificate retained;
- (c) the annual rate of interest applying to the certificate; and
- (d) the date on which the current term will end.

(6) Paragraph (5) applies to—

- (a) a money value certificate purchased after 19th September 2012; and
- (b) a money value certificate purchased before 20th September 2012 from and including the anniversary of its date of purchase which falls after 19th September 2012 and before 20th September 2013.

(7) A holder of a certificate, having attained the age of seven years, may, subject to the approval of the Director of Savings, authorise a person to apply for or receive on the holder's behalf the amount repayable in relation to the certificate.

#### Commencement Information

**I2** Reg. 45 in force at 6.4.2015, see [reg. 1\(1\)](#)

#### Applications for early repayment

**46.**—(1) Subject to paragraph (6), this regulation applies where—

- (a) a relevant application is made; and
- (b) the payment date is on or before the last day of the term which is current on the date of the application.

(2) Where the relevant application is for payment of the whole amount repayable—

- (a) the amount that would be paid but for this regulation is to be reduced by an amount equal to the interest that has accrued for the period of 90 days ending on the payment date; and
- (b) in the case of an index-linked certificate, no amount is payable by way of index-linking for the relevant year.

(3) Where the relevant application is for payment of a specified amount which is part of the amount repayable—

- (a) the specified amount is to be reduced by an amount equal to the interest that has accrued on the specified amount for the period of 90 days ending on the payment date; and
- (b) in the case of an index-linked certificate, no amount is to be added to the value of the certificate by way of index-linking for the relevant year.

(4) In the case of a certificate which has been held for a period of less than 90 days starting on the date of purchase or on any anniversary of that date, this regulation has effect with the modification in paragraph (5).

(5) The reference to the amount that has accrued by way of interest for the period of 90 days ending on the payment date is to be read as a reference to the amount that would have accrued by way of interest for the period of 90 days starting on the date on which the certificate was purchased or the last anniversary of that date.

(6) The Director of Savings may decide not to reduce a payment and, in the case of an index-linked certificate, not to withhold the benefit of index-linking if the Director of Savings considers that either would be unjust.

(7) In this regulation—

“payment date”, in relation to a relevant application, means the date on which payment is to be made in accordance with that application;

“relevant application” means an application for payment of the whole or any part of the amount repayable in respect of a rolled-over certificate or a certificate purchased after 19th September 2012, except—

- (a) an application made in the event of the death of the sole holder of the certificate;
- (b) an application by a trustee in consequence of the death of the sole beneficiary or the last surviving beneficiary; or
- (c) an application by a trustee who purchased the certificate on behalf of another person, in consequence of the death of that person or the last such person surviving;

“relevant year”, in relation to a rolled-over certificate or a certificate purchased after 19th September 2012, means the period of 12 months—

- (d) which begins on the date of purchase of the certificate or, if the certificate has been held for 12 months or more, the last anniversary of that date; and
- (e) in which the payment date falls.

#### Commencement Information

**I3** Reg. 46 in force at 6.4.2015, see [reg. 1\(1\)](#)

### Making payments

**47.—(1)** Each payment in relation to a certificate must be made by crossed warrant except to the extent that—

- (a) payment is made by other means in accordance with the terms and conditions under which the certificate is held;
- (b) the Director of Savings directs otherwise; or
- (c) the applicant for the payment requests that all or part of the amount be used to—
  - (i) purchase another certificate or another description of security issued by the Treasury for the purpose of raising money under the auspices of the Director of Savings; or
  - (ii) make a deposit in the National Savings Bank,and the Director of Savings consents.

(2) In the absence of a direction or request otherwise under paragraph (1), and subject to the terms and conditions under which the certificate is held, each application for payment in relation to a certificate must be treated as authority for the Director of Savings—

- (a) to issue a crossed warrant for the amount and pay it in accordance with the terms of the warrant; or
- (b) to make payment by other means as provided for in those terms and conditions.

(3) The death of a person who has made an application for payment in relation to a certificate shall not of itself terminate the authority (in paragraph (2)), but if the Director of Savings receives notice that the applicant has terminated the authority or has died, the Director of Savings must—

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- (a) not issue a warrant or initiate payment by other means; or
  - (b) if a warrant has already been issued, or if payment by other means has already been initiated, take reasonable steps to prevent payment being made.
- (4) Except where the Director of Savings directs otherwise, a warrant shall not be paid until the certificate in relation to which the payment is to be made has been delivered to the Director of Savings.
- (5) For the purpose of determining the amount repayable in relation to a certificate, the payment of that amount shall be deemed to happen—
- (a) on the date on the warrant; or
  - (b) where the Director of Savings consents to a request under paragraph (1)(c), on the date recorded as the date of purchase of the other certificate or security, or of the deposit.
- (6) Subject to paragraph (7), the date on a warrant shall—
- (a) unless the holder has requested a later date, be not more than 21 days from the date on which the application for payment was received by the Director of Savings; or
  - (b) where the holder has requested a later date (under regulation 45(2)), the date on the warrant must be no later than that date, except that the Director of Savings may set a different date (being not more than 10 days after the requested date) if satisfied, having regard to the terms on which the certificate was issued, that setting the different date would be in the interests of the holder.
- (7) If the Director of Savings is satisfied that it is, or was, not practicable to dispatch the warrant in time to enable payment to be made on a date within paragraph (6), then the date on the warrant must be no later than the earliest date by which the Director of Savings is satisfied it would be practicable for the payee to obtain payment (and “payment” shall include paying in the warrant at a bank or other institution).

#### Commencement Information

**I4** Reg. 47 in force at 6.4.2015, see [reg. 1\(1\)](#)

### Payments to minors under seven years of age

**48.—**(1) Subject to paragraph (2) and regulation 39(4) and (5), no payment may be made in relation to a certificate held by a minor under the age of seven years.

(2) Where it appears to the Director of Savings that a person holding, or having an interest in, a certificate is a minor under the age of seven years, the Director of Savings may pay the whole or any part of the amount repayable in relation to the certificate to a person the Director of Savings is satisfied is a proper person to receive payment.

#### Commencement Information

**I5** Reg. 48 in force at 6.4.2015, see [reg. 1\(1\)](#)

### Payments to persons who lack capacity

**49.—**(1) An application for payment of the amount repayable in relation to a certificate held by a person who lacks capacity must be made by that person’s deputy.

(2) Where a holder of a certificate (or any person having an interest in a certificate) is a person who lacks capacity for whom no deputy has been appointed, the Director of Savings may, upon it

being shown that it is expedient to do so, pay the whole or any part of the amount repayable to a person who the Director of Savings is satisfied will apply it for the maintenance or otherwise for the benefit of that person who lacks capacity.

**Commencement Information**

**I6** Reg. 49 in force at 6.4.2015, see [reg. 1\(1\)](#)

**Payments where certificates are held by persons jointly**

**50.**—(1) Subject to paragraph (2), an application for payment of the amount repayable in relation to a certificate held in the names of two or more persons as joint holders must be made by all those persons or by the survivors.

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

(a) where one of the joint holders is a trustee for one or other of the joint holders, and becomes bankrupt or a person who lacks capacity, the application may be made by that other or those others without the concurrence of a trustee in bankruptcy or deputy, and the Director of Savings may pay the amount in the same way as if that trustee were not one of the holders of the certificate; and

(b) where one of the joint holders is the Public Trustee, the application may be made by the Public Trustee alone and the Director of Savings must pay the amount to the Public Trustee alone.

(3) The joint holders of a rolled-over certificate or a certificate purchased after 19th September 2012 may, in the approved form, authorise one of themselves to—

(a) make an application for payment of the amount repayable in relation to the certificate; and

(b) to receive the payment.

(4) Paragraph (3) does not apply in relation to a certificate held by trustees; or by persons who purchased it acting as a trustee on behalf of another person.

(5) The joint holders of a certificate, other than a rolled-over certificate or a certificate purchased after 19th September 2012, may authorise any person, including one of themselves, to act as their agent for the purpose of receiving a payment in relation to the certificate.

**Commencement Information**

**I7** Reg. 50 in force at 6.4.2015, see [reg. 1\(1\)](#)

**Payments to friendly societies, etc.**

**51.**—(1) This regulation applies where a certificate is held by a friendly society or other body of persons, whether incorporated or not.

(2) The society or body may, in the approved form, specify the names of persons authorised to apply for payment of the amount repayable in relation to a certificate on behalf of the society or body.

(3) An application for payment must be made by the society or body in the name of those authorised persons or, where no persons have been authorised, in the names of persons approved by the Director of Savings.

(4) A receipt for the amount may be given by any person purporting to be an agent or officer of the society or body authorised to receive payment.

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#### Commencement Information

**18** Reg. 51 in force at 6.4.2015, see [reg. 1\(1\)](#)

### Payments in the case of bankrupts

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

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

the Director of Savings may pay to the Official Receiver or trustee (on their application) the amount repayable in relation to the certificate.

#### Commencement Information

**19** Reg. 52 in force at 6.4.2015, see [reg. 1\(1\)](#)

### Transfers and addition of names

**53.—**(1) On receipt of an application to transfer a certificate, the Director of Savings, if satisfied that the transfer can and ought to be made, must transfer the certificate without delay in accordance with the application.

(2) A transfer is effected by the Director of Savings recording the name of the person to whom the certificate is to be transferred as the holder.

(3) Subject to paragraph (5), a certificate may not be transferred unless the holder—

- (a) makes an application in the approved form; and
- (b) provides the certificate to which the application relates (except where the Director of Savings directs otherwise or the certificate is not issued in documentary form),

and the death of the applicant shall not of itself terminate the authority for the transfer to be made, but if the Director of Savings receives notice that the applicant has terminated the authority or has died, the transfer may not be made.

(4) On the application of the holder, the Director of Savings may transfer a certificate into the names of joint holders with the applicant.

(5) Where a certificate is held by a person as a trustee jointly with the beneficiary, the Director of Savings may on the application of either transfer the certificate to the beneficiary alone or to the beneficiary and another trustee jointly.

(6) This regulation applies in the event of the death of the holder of a certificate, in that a person to whom the amount repayable in relation to the certificate is to be paid may instead apply for the transfer of the certificate into that person's name or the name of another person.

(7) The Director of Savings may refuse to transfer a certificate, but must in that event notify without delay the person desiring the transfer.

#### Commencement Information

**110** Reg. 53 in force at 6.4.2015, see [reg. 1\(1\)](#)

## Operation of a nomination

**54.**—(1) Subject to paragraph (2), on the death of a nominator the Director of Savings must, as a nominee may require—

- (a) transfer the certificates in relation to the nomination; or
- (b) pay the amount repayable in relation to those certificates,

to the nominee.

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

- (a) a nominee may not have a certificate transferred unless entitled to hold it under regulation 39(1) or (2) or regulation 40;
- (b) where it appears to the Director of Savings that the estate of the nominator, apart from the certificates 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>(1)</sup> and in relation to jus relictī, jus relictæ or legitim),

the Director of Savings may pay the amount repayable (or any part of it) towards satisfaction of the funeral expenses or any claim;

- (c) if a nominee is under the age of sixteen years, the Director of Savings must not make any transfer or pay any amount until the nominee attains that age but the Director of Savings may—
  - (i) 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 for it for the maintenance or otherwise for the benefit of the nominee; or
  - (ii) at the request of the nominee, re-invest the amount (or any part of it) in new certificates, which shall be treated as if they were the certificates which were the subject of the nomination.

(3) Where a nominee dies after the death of the nominator but before a transfer or payment has been made, the certificates shall be deemed to have been transferred to the nominee immediately before death.

(4) Despite any legal requirement to the contrary, a nominee to whom an amount must be paid may give a receipt for it in a manner approved by the Director of Savings if having attained the age of sixteen years, and the receipt shall be valid without the signature of any other person.

### Commencement Information

**III** Reg. 54 in force at 6.4.2015, see [reg. 1\(1\)](#)

## Application to the Channel Islands in relation to nominations

**55.**—(1) A nomination made by a holder domiciled in Jersey shall take effect only as to that portion of the nominator's personal estate over which the nominator has power of testamentary disposition according to the law of Jersey, but a payment made to a nominee without notice of the holder's incapacity to dispose of the whole or a portion of the interest nominated shall be a valid payment.

(1) 1964 c. 41.

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(2) A nomination made by a holder domiciled in the Bailiwick of Guernsey shall take effect only as to that portion of the nominator's personal estate over which the nominator has power of testamentary disposition according to the law of the Bailiwick of Guernsey, but a payment made to a nominee without notice of the holder's incapacity to dispose of the whole or a portion of the interest nominated shall be a valid payment.

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**Commencement Information**

**I12** Reg. 55 in force at 6.4.2015, see [reg. 1\(1\)](#)



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**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 38(2A)(2B) inserted by [S.I. 2023/605 reg. 2\(2\)\(a\)](#)
- reg. 38(4) inserted by [S.I. 2023/605 reg. 2\(2\)\(b\)](#)
- reg. 46(6A)-(6C) inserted by [S.I. 2023/605 reg. 2\(3\)\(b\)](#)