
STATUTORY INSTRUMENTS

2015 No. 624

The National Savings (No. 2) Regulations 2015

PART 5

Children's savings certificates

CHAPTER 2

Interest and payments

Accrual of interest

61.—(1) This regulation applies in relation to—

- (a) a Children's Bond; and
- (b) a Children's Bonus Bond from and including the anniversary of its date of purchase that falls after 19th September 2012 and before 20th September 2013.

(2) The amount of interest accruing on a particular day in relation to a children's certificate to which this regulation applies must be calculated using the following formula—

$$A = (V \times I\%)/365$$

where—

A is the amount of interest accruing in respect of the children's certificate on the particular day;

V is the capital value of the certificate on that day; and

I% is the annual rate of interest fixed for the current term of the certificate, excluding any bonus that may apply.

No bonus on Children's Bonds

62. No bonus is payable in relation to Children's Bonds.

Applications for payment

63.—(1) An application for payment of the amount repayable in relation to a children's certificate must be made by a holder of a children's certificate having attained the age of sixteen years 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 made in relation to a Children's Bonus Bond may include a request for payment to be made on a specified date that is, unless the Director of Savings otherwise agrees, not more than two months after the date on which the application was made.

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

(4) An application for payment of part of a Children's Bond may only be accepted if the capital value of the remaining part would be in that event equal to or greater than £25, or a greater value as may be specified in the terms and conditions applying to the Children's Bond.

(5) A holder of a children's certificate, having attained the age of sixteen years, may not, unless the Director of Savings is satisfied that it is appropriate, authorise any person to apply for or receive on the holder's behalf payment of the amount repayable in respect of that certificate.

Making payments

64.—(1) A person making an application under regulation 63 may request that payment be made—

- (a) by crossed warrant;
- (b) by electronic transfer; or
- (c) by using all or part of the amount repayable to—
 - (i) purchase, in the name of the holder, any other description of Treasury security; or
 - (ii) make a deposit in the National Savings Bank.

(2) The Director of Savings may refuse a request under paragraph (1) if—

- (i) it is not permitted under the terms and conditions applying to the children's certificate; or
- (ii) the request falls under paragraph (1)(c).

(3) Each application must be treated as authority for the Director of Savings to make payment in accordance with that application.

(4) Where the Director of Savings has initiated a payment, the authority to make that payment is not terminated by—

- (a) the death of the person who made the application; or
- (b) any notice purporting to terminate that authority.

(5) For the purpose of determining the amount repayable in relation to a children's certificate, a payment of that amount by crossed warrant shall be deemed to happen on the date on the warrant.

(6) Subject to paragraph (7), the date on a warrant must—

- (a) unless the holder has requested a later date, be not more than 31 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 99(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 children's 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).

Record of partial repayments

65.—(1) This regulation applies in relation to—

- (a) a Children's Bond; and

- (b) a Children's Bonus Bond from and including the anniversary of its date of purchase that falls after 19th September 2012 and before 20th September 2013.

(2) Where part of a children's certificate to which this regulation applies has been repaid, the Director of Savings must promptly make available to the holder a record of—

- (a) the amount repaid;
- (b) the capital value of the part of the certificate that has not been repaid;
- (c) the annual rate of interest applying to that certificate; and
- (d) the date on which the current term of that certificate will end.

(3) Nothing in the terms and conditions applying to a children's certificate to which this regulation applies shall require the Director of Savings to issue that certificate in documentary form.

Payments in the case of holders under sixteen years of age

66.—(1) Subject to paragraph (2) and to regulation 67, no repayment may be made in relation to a children's certificate held by a person under the age of sixteen years.

(2) Where a person holding a children's certificate is a person under the age of sixteen years, other than a person who lacks capacity, the Director of Savings may pay the whole or part of the amount repayable to a person—

- (a) who has made an application for payment; and
- (b) appears to the Director of Savings to be a proper person to receive payment.

Payments in the case of persons who lack capacity

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

(2) Where it appears to the Director of Savings that no deputy has been appointed, the Director of Savings may, upon it being shown that it is expedient to do so, pay the amount repayable in relation to that certificate (or 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 holder.

Payments in the case of bankrupts

68. Where it appears to the Director of Savings that—

- (a) a bankruptcy order has been made against a holder of a children's certificate;
- (b) a trustee has been appointed in the bankruptcy of a holder; or
- (c) an order for the administration in bankruptcy of the estate of a deceased 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 that certificate.

Applications for early repayment

69.—(1) This regulation applies where—

- (a) an application is made for payment of the whole or part of the amount repayable in relation to a Children's Bond, except an application made in the event of the death of the holder; and
- (b) the application is made before the end of the term which is current on the date the application is received.

(2) Subject to paragraph (3), the Director of Savings must deduct from the amount that would otherwise have been payable an early repayment penalty calculated as follows—

$$P = R \times I\% \times (90/365)$$

where—

P is the early repayment penalty;

R is the amount of the payment requested in the application; and

I% is the annual rate of interest fixed for the current term.

(3) The Director of Savings may decide not to deduct the early repayment penalty if satisfied that, in the particular circumstances, it would be unjust.

(4) For the purposes of regulation 73, where a payment has been made subject to the deduction of an early repayment penalty, the Director of Savings shall be treated as having paid the whole of the amount repayable in relation to the Children's Bond.

Prohibition on transfers

70. No transfer may be made of a children's certificate either during the life, or on the death, of the holder of that certificate.