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## STATUTORY INSTRUMENTS

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# 2015 No. 624

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

### PART 5

#### Children's savings certificates

#### CHAPTER 1

#### Issue and purchase of certificates

#### **Issue, purchase and recording of children's certificates**

**56.**—(1) Children's certificates may be issued in the form required, at the places determined, and by the persons authorised, by the Director of Savings.

(2) An application to purchase a children's certificate must be made in the approved form, and the applicant must provide any documents or other information required by the Director of Savings.

(3) The Director of Savings must record the names of persons who are holders of children's certificates.

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#### **Commencement Information**

**II** Reg. 56 in force at 6.4.2015, see [reg. 1\(1\)](#)

#### **Persons entitled to purchase and hold certificates**

**57.**—(1) A children's certificate may be purchased on behalf of and in the name of a person who has not attained the age of sixteen years by a parent, guardian, grandparent or great-grandparent who has attained the age of sixteen years and who is not under any legal disability.

(2) Each children's certificate shall be deemed to be held by the person on whose behalf it was purchased, but no children's certificate may be purchased on behalf of or in the name of more than one person.

(3) A children's certificate may not be purchased or held by a person acting as trustee on behalf of another person.

(4) A person may not continue to hold a children's certificate after the end of a term of that certificate which ends both—

(a) after 19th September 2012; and

(b) at a time when that person has attained the age of sixteen years.

(5) The Director of Savings must pay the amount repayable in relation to a children's certificate to which paragraph (4) applies to a person entitled to receive it by any means.

(6) The Director of Savings may require a specimen signature of a person on whose behalf a children's certificate has been purchased at any time after that person has attained the age of sixteen years.

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#### Commencement Information

**I2** Reg. 57 in force at 6.4.2015, see [reg. 1\(1\)](#)

### Maximum holding of certificates

**58.**—(1) A person may not purchase a children’s certificate if the aggregate purchase price of the children’s certificates of that description which would in that event be held by the person on whose behalf it is to be purchased would exceed the maximum set by the terms and conditions applying to that description of children’s certificate, and the aggregate purchase price must be calculated in accordance with those terms and conditions.

(2) No person may hold a children’s certificate purchased in contravention of paragraph (1).

#### Commencement Information

**I3** Reg. 58 in force at 6.4.2015, see [reg. 1\(1\)](#)

### Forfeiture of Children’s Bonus Bonds

**59.**—(1) Subject to paragraph (2), where a person—

- (a) purchases or holds a Children’s Bonus Bond in contravention of regulation 57; or
- (b) purchases or holds a Children’s Bonus Bond in contravention of regulation 58,

the Children’s Bonus Bond shall, if the Director of Savings directs, be forfeited.

(2) Having directed the forfeiture of a Children’s Bonus Bond, the Director of Savings may pay to that person, or credit an account in the name of that person in the National Savings Bank—

- (a) an amount equal to the aggregate amount of the purchase price of the Children’s Bonus Bonds forfeited; and
- (b) where a Children’s Bonus Bond was purchased or held in contravention of regulation 57, interest (not exceeding the interest which had accrued immediately before forfeiture) as the Director of Savings may determine; or
- (c) where a Children’s Bonus Bond was purchased or held in contravention of regulation 58, interest at a rate determined by the Director of Savings on the amount of the purchase price of the Children’s Bonus Bond, being interest calculated in a manner the Director of Savings, with the approval of the Treasury, may direct.

(3) For the purposes of this regulation a multiple children’s certificate must be taken to be the number of unit certificates represented by that multiple certificate.

(4) For the purposes of—

- (a) regulation 23 (investment deposits) of the National Savings Regulations 2015<sup>(1)</sup> (to the extent it applies); or
- (b) an Order under section 4 of the 1971 Act<sup>(2)</sup> (limiting the amount of deposits in the National Savings Bank),

an amount credited to an account under this regulation is not to be counted if directed by the Director of Savings.

<sup>(1)</sup> [S.I. 2015/623](#).

<sup>(2)</sup> Section 4 was amended by the Finance Act 1982 (c. 39) section 151, Schedule 20, paragraph 3 and section 152(1).

(5) Notice of any forfeiture must be sent to the person concerned as soon possible, and the Director of Savings may require any documents relating to the Children's Bonus Bond to be provided for the purpose of giving effect to this regulation.

**Commencement Information**

**I4** Reg. 59 in force at 6.4.2015, see [reg. 1\(1\)](#)

**Forfeiture of Children's Bonds**

**60.**—(1) The Director of Savings may direct that a Children's Bond be forfeited.

(2) The circumstances in which the Director of Savings may make a direction under paragraph (1) include the following—

- (a) the Children's Bond was purchased, or is held, otherwise than in accordance with these Regulations; or
- (b) the Director of Savings reasonably suspects that—
  - (i) the purchaser or the holder (or anyone acting on their behalf) has provided false information; or
  - (ii) the Children's Bond is being held in connection with an illegal purpose.

(3) Where the Director of Savings makes a direction under paragraph (1)—

- (a) an amount equal to the purchase price must be paid to the holder; and
- (b) any other amount which was payable under the terms and conditions applying to the Children's Bond may be paid to the holder as the Director of Savings considers appropriate.

(4) The Director of Savings may make a payment under paragraph (3) by any means, which may include crediting the amount to an account in the name of the holder in the National Savings Bank.

**Commencement Information**

**I5** Reg. 60 in force at 6.4.2015, see [reg. 1\(1\)](#)

**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

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

#### Commencement Information

**I6** Reg. 61 in force at 6.4.2015, see [reg. 1\(1\)](#)

### No bonus on Children's Bonds

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

#### Commencement Information

**I7** Reg. 62 in force at 6.4.2015, see [reg. 1\(1\)](#)

### 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.

#### Commencement Information

**I8** Reg. 63 in force at 6.4.2015, see [reg. 1\(1\)](#)

### 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).

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**Commencement Information**

**19** Reg. 64 in force at 6.4.2015, see [reg. 1\(1\)](#)

**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.

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**Commencement Information**

**I10** Reg. 65 in force at 6.4.2015, see [reg. 1\(1\)](#)

**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.

**Commencement Information**

**I11** Reg. 66 in force at 6.4.2015, see [reg. 1\(1\)](#)

**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.

**Commencement Information**

**I12** Reg. 67 in force at 6.4.2015, see [reg. 1\(1\)](#)

**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.

**Commencement Information**

**I13** Reg. 68 in force at 6.4.2015, see [reg. 1\(1\)](#)

## 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.

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### Commencement Information

I14 Reg. 69 in force at 6.4.2015, see [reg. 1\(1\)](#)

## 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.

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### Commencement Information

I15 Reg. 70 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\(3\)\(b\)](#)