STATUTORY INSTRUMENTS

2015 No. 624

The National Savings (No. 2) Regulations 2015

PART 6

Common provisions

CHAPTER 4

Death of depositors and holders

Law applicable on the death of a holder of a bond, stock or certificate

87. On the death of a holder of—

(a) a bond;

(b) stock;

(c) a certificate; or

(d) a children's certificate,

the Director of Savings may make a payment for the purposes of these Regulations in accordance with the law of the place where the depositor or holder resided at the date of death, unless the Director of Savings has received notice in writing that the depositor or holder was at the date of death domiciled elsewhere.

Payments under grant of representation in relation to bonds and certificates

88.—(1) In the event of the death of the holder of a bond, a certificate, or a children's certificate, the production of probate or letters of administration (or of a certified copy) granted, or having effect as if granted, in relation to personal estate including those things by a court in the United Kingdom, the Isle of Man or the Channel Islands, is sufficient authority for the Director of Savings to pay the amount repayable (or any other amount payable), or make a transfer (if applicable) for the purposes of these Regulations, to the person to whom the grant was made, or as directed by that person.

(2) Where a payment or transfer is made under this Regulation, the payment or transfer shall, despite the invalidity of, or any defect in, the probate or letters of administration, be deemed to have been lawfully made.

Payment without a grant of representation

89.—(1) Where, on the death of a person—

(a) the amount repayable, or any other amount payable, to a holder of a bond does not exceed £5,000;

(b) the value of stock held solely by a person does not exceed in the aggregate £5,000 (or if death occurred before 12th August 1975, £500);

(c) the amount repayable in relation to certificates held solely by a person does not exceed in the aggregate £5,000; or

(d) the amount repayable to a holder of a children's certificate does not exceed in the aggregate £5,000,

and no probate of the will or letters of administration to the estate are produced to the Director of Savings within what is considered by the Director of Savings to be a reasonable period, the Director of Savings may for the purposes of these Regulations pay the amount (or any part of it) in accordance with paragraph (2).

(2) The Director of Savings may pay the amount—

(a) to a person appearing to the Director of Savings to be entitled to take out probate of the will or letters of administration to the estate;

(b) where the deceased has left a will in relation to which the Director of Savings is satisfied that probate or letters of administration would be granted, to a person to whom the amount (or any part of it) would be payable under the will (as appears to the Director of Savings), if probate or letters of administration were granted;

(c) to a person who satisfies the Director of Savings of their entitlement to receive the amount (or any part of it), being—

(i) a person who has paid the funeral expenses of the deceased;

(ii) a creditor of the deceased; or

(iii) a person who has a beneficial interest in the estate of the deceased;

(d) if the deceased was a British citizen and the next of kin appears to the Director of Savings to reside outside the United Kingdom, the Isle of Man and the Channel Islands, to any officer or authority who, as appears to the Director of Savings, may be entrusted with distributing the amount properly;

(e) if the deceased was a seaman of a foreign country, being a country with which a treaty has been made in relation to the payment of money due to seamen, to the consular authority of that country;

(f) if the deceased was a foreign subject, not being a seaman to whom sub-paragraph (e) applies, to the consular authority of the country to which the deceased belonged, or to any authority who, as appears to the Director of Savings, may be entrusted with distributing the amount properly;

(g) in a case where the estate of the deceased appears to the Director of Savings to have devolved upon the Crown, the Duchy of Lancaster or the Duchy of Cornwall, to the Treasury Solicitor, the Solicitor for the affairs of the Duchy of Lancaster, or the Solicitor for the affairs of the Duchy of Cornwall respectively,

but where a person to whom an amount may be paid under subparagraph (b) or (c) has died before payment, the amount (or any part of it) may be paid to a person to whom it would be paid as if the first mentioned person was, immediately before death, a person in paragraph (1).

(3) Despite any legal requirement to the contrary, a person to whom an amount may be paid under paragraph (2)(b) or (c) (or under the proviso to paragraph (2)) may, if having attained the age of sixteen years, give a receipt for the payment in an approved manner and the receipt shall be valid without the signature of another person; but if that person by reason of age or for any other reason may not accept payment, the Director of Savings may pay the amount to a person who the Director of Savings is satisfied will apply it for the maintenance or otherwise for the benefit of that person.

(4) Subject to paragraph (3), the Director of Savings in making a payment under paragraph (2)(b) or (c) (or under the proviso to paragraph (2)) must have regard to legal requirements relating to the distribution of the estates of deceased persons, but the Director of Savings may depart from

those requirements to the extent it is considered by the Director of Savings that they would cause hardship or inconvenience.

(5) In relation to stock, where a payment may be made to a person under paragraphs (1) or (2), the Director of Savings may, instead of making a payment, register the person (or another person as directed by that person), as the holder of the stock or a part of it.

(6) In relation to stock, the value of stock shall be—

(a) in the case of stock which is of a description corresponding to stock or securities transferable in the registers kept by the Registrar of Government Stock in accordance with regulations under section 47 of the Finance Act 1942(**1**) (see regulation 7 (registers of stock and stockholders) of the Government Stock Regulations 2004(**2**)), the market value; and

(b) in all other cases, the capital value.

(7) In this regulation "will" includes a codicil.

(8) Nothing in this regulation affects the operation of a nomination made under these Regulations.

Death duties or inheritance tax chargeable on death of holders of stock or certificates

90.—(1) This regulation applies on the death of a holder of stock or certificates (not being stock or certificates in relation to which the Director of Savings is satisfied that the deceased holder had no interest otherwise than as a trustee), where the aggregate value of the specified assets exceeds £50,000.

(2) The Director of Savings must, before—

(a) making a payment in relation to the stock or registering it in the name of another person; or

(b) making a payment in relation to, or transferring, a certificate,

for the purposes of these Regulations, seek a statement from the Commissioners of Her Majesty's Revenue and Customs confirming that death duties, or inheritance or capital transfer tax (being inheritance or capital transfer tax chargeable on the death of the depositor or holder) either are not payable, or have been paid.

(3) A statement under paragraph (2) is not required—

(a) where the payment or transfer is made to or on the direction of, or the stock is registered in the name of any person on the direction of—

(i) the deceased's legal personal representative acting under probate or letters of administration granted by a court in the United Kingdom; or

(ii) the Public Trustee, the Official Receiver, or the trustee in bankruptcy of the estate of the deceased;

(b) (i) in relation to a deceased holder of a certificate, where the deceased was at the time of death domiciled in the Isle of Man or the Channel Islands;

(ii) in relation to a deceased holder of stock, where—

(aa) the stock is not of a description corresponding to stock or securities transferable in the registers kept by the Registrar of Government Stock in accordance with regulations under section 47 of the Finance Act 1942(**3**) (see regulation 7 (registers of stock and stockholders) of the Government Stock Regulations 2004(**4**)); and

(**1**) 1942 c. 21; Section 47 was amended by section 3 of the Stock Transfer Act 1982 (c. 41
(**2**) S.I. 2004/1611
(**3**) 1942 c. 21; Section 47 was amended by section 3 of the Stock Transfer Act 1982 (c. 41
(**4**) S.I. 2004/1611.

(bb) the deceased was at the time of death domiciled in, and any certificates or subscription books relating to the stock were situated in, the Isle of Man or the Channel Islands; or

(c) where the beneficial interest in the stock or certificate has passed to the spouse or civil partner of the deceased in circumstances in which death duties or inheritance or capital transfer tax are not payable.

(4) In this regulation "the specified assets" means the following assets (not being assets in relation to which the deceased was a trustee) at the date of death—

(a) the total amount (including interest) held in all accounts in the deceased's name alone, or jointly with another person, in the National Savings Bank;

(b) the total amount which would have been repayable (had repayment been demanded) in relation to all certificates recorded in the deceased's name alone, or jointly with another person;

(c) the total amount repayable and any other amount payable in relation to all bonds recorded in the deceased's name;

(d) the total amount (including any bonus or interest) which would have been repayable (had repayment been demanded) in relation to all savings contracts entered into by the deceased and registered by the Director of Savings under a contractual savings scheme certified by the Treasury in accordance with section 326(2) of the Income and Corporation Taxes Act 1988(**5**);

(e) (i) in relation to a deceased depositor or holder of a certificate, all stock and securities registered in the National Savings Stock Register in the sole name of the depositor or holder, or in the depositor or holder's name jointly with any other person;

(ii) in relation to a deceased holder of stock, all stock registered in the register in the deceased's name alone or jointly with any other person; and

(f) in relation to a deceased holder of a certificate, the total amount (including interest) which would have been repayable (had repayment been demanded) in relation to all agreements entered into or certificates held by the deceased in accordance with the Savings Certificates (Yearly Plan) Regulations 1984(**6**).

(5) The value of stock or securities referred to in paragraph (4)(e) shall be—

(a) in the case of stock which is of a description corresponding to stock or securities transferable in the registers kept by the Registrar of Government Stock in accordance with regulations under section 47 of the Finance Act 1942(**7**) (see regulation 7 (registers of stock and stockholders) of the Government Stock Regulations 2004(**8**)), the market value; or

(b) in all other cases, the capital value.

(**5**) 1988 c. 1.
(**6**) S.I. 1984/779.
(**7**) 1942 c. 21; Section 47 was amended by section 3 of the Stock Transfer Act 1982 (c. 41.
(**8**) S.I. 2004/1611.