

**2006 No. 1066**

**SAVINGS BANKS**

**The National Savings Bank (Amendment) Regulations 2006**

*Made* - - - - *16th May 2006*

*Laid before Parliament* *16th May 2006*

*Coming into force in accordance with regulation 1(2) and (3)*

The Treasury, in exercise of the powers conferred upon them by section 2 of the National Savings Bank Act 1971(a), as extended by sections 7(2) and 8(1) of that Act, make the following Regulations:

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the National Savings Bank (Amendment) Regulations 2006.

(2) Subject to paragraph (3), these Regulations come into force on 6th June 2006.

(3) Regulations 4, 5, 6, 7 and 8 (limits on cash withdrawals of ordinary and investment deposits) and regulations 12 and 13 (transitional provisions) come into force on 1st October 2006.

(4) In these Regulations, “the Principal Regulations” means the National Savings Bank Regulations 1972(b).

**Removal of notice period in respect of withdrawals or transfers of investment deposits**

2. After regulation 28 of the Principal Regulations insert—

**“Withdrawal or transfer of investment deposits**

**28A.**—(1) Every notice of withdrawal under regulation 21(1) above relating to money deposited by way of investment deposit shall be given by sending or delivering to the Director of Savings at the principal office of the National Savings Bank an application for withdrawal in the approved form signed by the depositor or other person entitled to sign the application.

(2) Money deposited by way of investment deposit (or any interest thereon) may be transferred upon the giving of written notice of transfer to the Director of Savings in accordance with this paragraph. Every notice of transfer shall be given by sending or delivering to the Director of Savings at the principal office of the National Savings Bank an application for transfer in the approved form signed by the depositor or other person entitled to sign the application requesting that the transfer be made on a date specified in the application, and the application shall be accompanied by the relevant deposit book.

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(a) 1971 c.29.

(b) S.I. 1972/764; relevant amending instruments are S.I. 1982/1282, 1996/801, 1996/1724, 1999/588, 2003/2895.

(3) Paragraph (2) above shall not apply to a transfer from a treasurer's account.”.

3.—(1) Regulation 29(a) of the Principal Regulations (withdrawal or transfer of investment deposits) is amended as follows.

(2) In the heading of regulation 29 after “investment deposits” insert “from treasurers' accounts”.

(3) In paragraph (1) after “deposited” insert “in a treasurer's account”.

(4) In paragraph (1A) for the words from “the relevant prior notice” to the end, substitute “the relevant prior notice is 30 days”.

(5) Omit paragraphs (9), (10) and (12).

(6) In paragraph (11) for “one month” substitute “30 days”.

#### **Limits on cash withdrawals of ordinary and investment deposits**

4.—(1) Regulation 2 of the Principal Regulations (interpretation) is amended as follows.

(2) In paragraph (1) after the definition of “authorised telephone procedure” insert—  
““cash payment advice” has the meaning given in regulation 21(11) below;”.

5.—(1) Regulation 21 of the Principal Regulations (procedure on withdrawals) is amended as follows.

(2) In paragraph (1)—

(a) delete “by an uncrossed warrant payable”;

(b) for “drawn in favour of” substitute “to”;

(c) for “of the person” substitute “to the person”; and

(d) after “the Director of Savings” in the second place where it occurs, insert—

“; or

(c) refuse to permit more than £2,000 to be withdrawn by payment in cash from any one account on any one day ”.

(3) Before paragraph (4) insert—

“(3A) The Director of Savings shall confirm the details of any withdrawal to be made by payment in cash by posting a cash payment advice to the person who made the application for that withdrawal.”.

(4) In paragraph (4)(b) for the words from “Subject to” to “deposits” substitute “Where an application is made to the Director of Savings for withdrawal by crossed warrant, every such application”.

(5) In paragraph (6)—

(a) for the first paragraph substitute “A withdrawal by cash payment shall not be made until the relevant cash payment advice is presented with the relevant deposit book at the savings bank office named in the cash payment advice by the payee or by a person authorised by the payee to receive payment, and any evidence required by the Director of Savings in relation to that withdrawal has been given to his satisfaction.”; and

(b) in the second paragraph for “warrant is paid”, substitute “cash payment is made”, and for “receipt on the warrant was signed”, substitute “cash payment advice was presented”.

(6) In paragraph (7)—

(a) delete from “An” to “, and”; and

(b) for “a crossed” substitute “A crossed”.

(7) In paragraph (9)—

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(a) Regulation 29 was substituted by regulation 8 of S.I. 1996/801.

(b) Regulation 21(4) was amended by S.I. 1982/1282.

- (a) after “warrant”, in the first place where it occurs, insert “or a cash payment advice”; and
  - (b) after “warrant”, in the second place where it occurs, insert “or the cash payment advice”.
- (8) After paragraph (10) insert—
- “(11) In these regulations, “cash payment advice” means, in relation to a withdrawal to be made by payment in cash, an advice in writing in the approved form setting out the amount to be withdrawn, the savings bank office at which the payment is to be made, the name of the payee and any evidence required by the Director of Savings under regulation 53(1) below in relation to that withdrawal.”.
- 6.—(1) Regulation 27 (authority for payment to third party) is amended as follows.
- (2) In paragraph (1) for “An uncrossed warrant” substitute “A cash payment advice”;
  - (3) In paragraph (2)—
    - (a) after “warrant”, in the first place where it occurs, insert “or in a cash payment advice”; and
    - (b) after “warrant”, in the second place where it occurs, insert “or on the cash payment advice”.
- 7.—(1) Regulation 29H(a) is amended as follows.
- (2) In paragraph (2) after “regulation 21(1) above” insert “other than paragraph (c) of that proviso”.
- 8.—(1) Regulation 46 (persons unable to write) is amended as follows.
- (2) Delete paragraph (2).

### **Transitional provisions**

9. Regulation 29 of the Principal Regulations shall continue to apply to any withdrawal of moneys deposited by way of investment deposit (or interest thereon) or transfer of such moneys in respect of which the notice of withdrawal or transfer was received by the Director of Savings before 6th June 2006 as if these Regulations had not been made.

10. Where a notice of withdrawal in respect of moneys deposited by way of investment deposit (or interest thereon) or a notice of transfer in respect of any such moneys has been sent under Regulation 29(1) of the Principal Regulations before 6th June 2006 and is received by the Director of Savings on or after that date, the Director of Savings shall treat that notice as if it had been given on 6th June 2006 or, if later, the date on which it was received by him and requested the Director of Savings to make the relevant withdrawal or transfer immediately.

11. Regulations 9 and 10 shall not apply to treasurers’ accounts.

12. Where a request has been received by the Director of Savings under regulation 21(1) of the Principal Regulations before 1 October 2006 for the issue of an uncrossed warrant but no such warrant has been issued by the Director of Savings before that date, the Director of Savings shall treat that request as if it were a request for a withdrawal by payment in cash under regulation 21(1) of the Principal Regulations made on that date.

13. The Principal Regulations shall continue to have effect in relation to any uncrossed warrant issued by the Director of Savings under the Principal Regulations before 1 October 2006 as if these Regulations had not been made.

16th May 2006

*Dave Watts*  
*Frank Roy*  
Two of the Lords Commissioners  
of Her Majesty’s Treasury

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(a) Regulation 29H was inserted by S.I. 1996/1724.

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the National Savings Bank Regulations 1972 (“the Principal Regulations”), in order to introduce two changes to the operation of certain National Savings and Investments (“NS&I”) accounts.

Regulation 3 amends regulation 29 of the Principal Regulations so as to remove the one month period of notice required before depositors may make withdrawals from NS&I Investment Accounts.

Regulations 4 to 8 amend regulations 21, 27, 29H and 46 of the Principal Regulations so as to enable the Director of Savings to impose an upper limit of £2,000 on the amount which may be withdrawn in cash from NS&I Ordinary and Investment Accounts at a Post Office. These Regulations also change the manner in which cash may be withdrawn from those Accounts, by providing for uncrossed warrants to be replaced by cash payment advices.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business.

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