

2008 No. 3098

SAVINGS BANKS

**The National Savings Bank (Amendment) (No. 4) Regulations
2008**

<i>Made</i>	- - - -	<i>3rd December 2008</i>
<i>Laid before Parliament</i>		<i>4th December 2008</i>
<i>Coming into force</i>		
<i>For the</i>		
<i>purposes of regulations 6 to 9</i>		<i>6th April 2009</i>
<i>For all other purposes</i>		<i>1st January 2009</i>

The Treasury in exercise of the powers conferred upon them by section 2(1) of the National Savings Bank Act 1971(a), as extended by sections 3(2), 7(2), 8(1)(h) and 8(1)(l) of that Act, make the following Regulations:

Citation, commencement and interpretation

1. These Regulations may be cited as the National Savings Bank (Amendment) (No. 4) Regulations 2008.
2. Subject to regulation 3, these Regulations come into force on 1st January 2009.
3. Regulations 6 to 9 come into force on 6th April 2009.
4. In these Regulations, “the Principal Regulations” means the National Savings Bank Regulations 1972(b).

Disapplication of particular regulations to certain individual savings accounts

5. After regulation 2A(ee)(c) of the Principal Regulations insert—
“(ef)regulations 29N to 29P (inclusive);”.

Procedure on making deposits to individual savings accounts

6. For regulation 29N(b)(d) of the Principal Regulations substitute –
“(b) by electronic transfer;”.

(a) 1971 c.29.
(b) S.I. 1972/764; relevant amending instruments are S.I. 1999/588, 2003/2895, 2006/1066, 2008/734.
(c) Regulation 2A was inserted by S.I. 2003/2895 and paragraph (ee) was inserted by S.I. 2008/734.
(d) Regulation 29N was inserted by S.I. 1999/588.

Payment on withdrawals from individual savings accounts

7. For the definition of “cash payment advice” in regulation 2(1)(a) of the Principal Regulations substitute—

““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to a withdrawal to be made by payment in cash, an advice in writing in the approved form setting out the amount to be withdrawn, the savings bank office at which the payment is to be made, the name of the payee and any evidence required by the Director of Savings under regulation 53(1)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;”.

8. Omit regulation 21(11)(b) of the Principal Regulations.

9.—(1) Regulation 29P(c) of the Principal Regulations is amended as follows.

(2) At the end of sub-paragraph (1)(a) delete “or”.

(3) At the end of sub-paragraph (1)(b) for “.” substitute “; or”.

(4) After sub-paragraph (1)(b) insert—

“(c) in cash to the depositor or to the person entitled to make such application.”.

(5) At the end of sub-paragraph 2(a) delete “or”.

(6) At the end of sub-paragraph (2)(b) for “.” substitute “;or”.

(7) After sub-paragraph (2)(b) insert—

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

(8) After paragraph (5) insert—

“(5A) 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.”.

(9) After paragraph (6) insert—

“(6A) A withdrawal by cash payment shall not be made until the relevant cash payment advice is presented at the savings bank office named in the cash payment advice by the payee, and any evidence required by the Director of Savings in relation to that withdrawal has been given to the satisfaction of the Director.

(6B) Where a cash payment is made in accordance with paragraph (6A) to a person purporting to be the payee then, notwithstanding that the cash payment advice was presented by some person not being the payee, the making of the payment shall be a full discharge to the Director of Savings for the amount thereof, if it is shown that the payment was made in good faith and without negligence, and that the making of the payment was attributable to some act or omission on the part of the depositor or on the part of the payee.”

3rd December 2008

Frank Roy
Tony Cunningham
Two of the Lords Commissioners
of Her Majesty's Treasury

(a) In regulation 2(1) the definition “cash payment advice” was inserted by S.I. 2006/1066.
(b) Regulation 21(11) was inserted by S.I. 2006/1066.
(c) Regulation 29P was inserted by S.I. 1999/588.

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 change the operation of National Savings and Investments individual savings accounts (“NS&I ISAs”).

Regulation 5 amends the Principal Regulations so that the procedures for making deposits to, and withdrawals from, NS&I ISAs in the Principal Regulations will not apply to NS&I ISAs for which terms and conditions may be set pursuant to section 9A(1) of the National Savings Bank Act 1971.

Regulation 6 amends the Principal Regulations so that, from 6th April 2009, deposits to NS&I Cash ISAs may no longer be made by bank giro credit. Instead, the amendment clarifies that deposits may also be made by electronic transfer.

Regulations 7 to 9 enable the Director of Savings to impose an upper limit of £2,000 on the amount which may be withdrawn in cash from an NS&I ISA on any one day and introduce a procedure for making such withdrawals by means of a cash payment advice with effect from 6th April 2009.

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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STATUTORY INSTRUMENTS

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