
STATUTORY INSTRUMENTS

2015 No. 623

The National Savings Regulations 2015

PART 2

Deposits in the National Savings Bank

CHAPTER 4

Interest on deposits

Interest on investment deposits

34.—(1) This regulation applies to interest on investment deposits.

(2) Interest commences—

- (a) in relation to deposits made before 1st January 1984, on the first day of the month next following the day of deposit; and
- (b) in any other case, on the day of deposit,

and shall cease on the day preceding the day on which the deposit is withdrawn.

(3) Subject to paragraph (4), interest must be calculated—

- (a) in the case of deposits in an individual savings account, to 5th April in each year; or
- (b) in any other case, to 31st December in each year,

and in both cases must be added to and become part of the principal.

(4) Interest must not be calculated in the case of an account—

- (a) containing less than £1, on any of that amount; or
- (b) containing £1 or more, on any amount less than one penny or any multiple of one penny.

(5) A deposit made by electronic transfer is deemed to have been made on the day on which the amount was credited to the account.

(6) A deposit—

- (a) that was a first deposit made under instructions given by telephone before 28th November 2011; or
- (b) made under instructions given by the authorised telephone procedure (under regulation 27),

is deemed to have been made on the day when the instructions were accepted by the Director of Savings.

(7) A deposit withdrawn in accordance with these Regulations is deemed to have been withdrawn—

- (a) where payment was made by warrant, on the earliest day on which the warrant was payable; or

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- (b) where payment was made by electronic transfer, the day on which the payment would, in the normal course, have been received by the banker or other person with whom the receiving account was kept.

Interest on ordinary deposits

35. For the purposes of section 5 of the 1971 Act⁽¹⁾ (interest on ordinary deposits), and without prejudice to section 7 of that Act⁽²⁾ (withdrawal of deposits), and subject to regulation 3 (closure of ordinary deposit accounts), ordinary deposits withdrawn in accordance with these Regulations shall, where payment is made by warrant, be deemed to have been withdrawn on the date appearing on the warrant, which must be no earlier than the date on which the warrant is posted.

(1) Section 5 was amended by the Finance Act 1989 c. 26 sections 184(2) to (4), 187, Schedule 17, Part XIII.

(2) Section 7 was amended by the Finance Act 1982 c. 39 section 151, Schedule 20, paragraph 6.