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## STATUTORY INSTRUMENTS

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1984 No. 779

### NATIONAL DEBT

#### The Savings Certificates (Yearly Plan) Regulations 1984

Made 7th June 1984

Laid before Parliament 8th June 1984

Coming into Operation 2nd July 1984

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The Treasury, in exercise of the powers conferred on them by section 11 (1) and (3) of the National Debt Act 1972(a) and of all other powers enabling them in that behalf, hereby make the following Regulations:

## **PRELIMINARY**

### **Citation and commencement**

1. These Regulations may be cited as the Savings Certificates (Yearly Plan) Regulations 1984, and shall come into operation on 2 July 1984.

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(a) 1972 c. 65.

## **Interpretation**

2. In these Regulations, unless the context otherwise requires-

"the adjudicator" means a person appointed under section 84 of the Friendly Societies Act 1992 (a)

"agreement" means an agreement entered into with the Director of Savings to purchase a certificate by payments in accordance with the terms of the agreement;

"amount repayable", in relation to any payments made under an agreement or any certificate, includes any interest which has accrued due in respect of payments made under an agreement or certificate;

"certificate" means a certificate issued in accordance with the terms of an agreement and under the name of a yearly plan national savings certificate by the Treasury under the auspices of the Director of Savings for the purpose of raising money authorised to be raised by any Act;

"mentally disordered person", in the application of these Regulations to England and Wales, means a person who is incapable, by reason of mental disorder within the meaning of the Mental Health Act 1983(b), of managing and administering his property and affairs;

"receiver", in the application of these Regulations to England and Wales, means, in relation to any act or thing done in respect of a mentally disordered person, a receiver or other person authorised in that behalf under Part VII of the Mental Health Act 1983;

"terms", in relation to an agreement, includes the rights and obligations under the agreement;

"Treasury Solicitor" means the Solicitor for the affairs of Her Majesty's Treasury.

## **AGREEMENTS FOR AND ISSUE OF CERTIFICATES**

### **Recording of agreements and issue of certificates**

3.-(1) An application to enter into an agreement shall be made in a manner approved by the Director of Savings, and, for the purposes of any such application, the applicant shall deliver to the Director of Savings such documents and other information in writing as he may require.

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(a) 1992 c. 40.

(b) 1983 c. 20.

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(2) Certificates shall be issued at such places as the Director of Savings shall determine and by such persons as he shall authorise.

(3) The names of all persons who enter into agreements or on whose behalf agreements are entered into or who are for the time being holders of certificates shall be recorded by the Director of Savings.

**Persons entitled to enter into agreements and to hold certificates**

4.-(1) Subject to the provisions of paragraph (3) of this Regulation and Regulation 12 an agreement may be entered into and a certificate issued thereunder may be held by-

(a) any one person who has attained the age of seven years at the date a valid application is received by the Director of Savings and who is not under any legal disability otherwise than by reason of his age; or

(b) a trustee or not more than two trustees either corporate or individual.

(2) Subject to the provisions of these Regulations, an agreement may be entered into-

(a) on behalf of and in the name of a person under the age of seven years at the date a valid application is received by the Director of Savings, by any other person, and

(b) on behalf of and in the name of a mentally disordered person, by his receiver;

and any certificate purchased by virtue of the agreement or the value of any payments made thereunder shall be deemed to be held by the person on whose behalf the certificate was purchased or the agreement was entered into.

(3) No agreement may be entered into under-

(a) sub-paragraph (a) of paragraph (1) of this Regulation by a body corporate or unincorporate; and

(b) sub-paragraph (b) of paragraph (1) of this Regulation by a trustee or trustees on behalf of two or more persons jointly or any body of persons, whether corporate or unincorporate.

(4) Where an agreement is entered into or a certificate is purchased and held by a trustee or trustees under sub-paragraph (b) of paragraph (1) of this Regulation, he or

they may be described in the records kept by the Director of Savings as trustee or trustees of a specified trust or as a trustee or trustees without specifying a trust.

(5) Where an agreement has been entered into on behalf of a person who was, at the date of the agreement, under the age of seven years, the Director of Savings may, at any time after that person has attained the age of seven years, require a specimen of his signature.

### **Maximum payments**

5.-(1) A person may not enter into an agreement on his own behalf if that agreement would result in the total of the payments to be made by him or on his behalf under that agreement and under any other agreements exceeding in any month the amount specified by or in accordance with the prospectus relating to that agreement as the maximum aggregate payment which may be made by him or on his behalf in any month under such agreements.

(2) A person may not enter into an agreement on behalf of and in the name of a person under the age of seven years, or a mentally disordered person if that agreement would result in the total payments to be made under that agreement and any other agreements entered into on behalf of and in the name of such a person exceeding in any month the amount specified by or in accordance with the prospectus relating to that agreement as the maximum aggregate payment which may be made on behalf of and in the name of such a person under such agreements.

(3) For the purposes of this Regulation a person who is a trustee shall be treated separately in his personal capacity and in his capacity as a trustee, and in his capacity as trustee separately in respect of each separate trust fund; and so much of the property in the hands of a trustee shall be treated as a separate trust fund as is held on trusts which (as respects the beneficiaries or their respective interests or the purposes of the trust or as respects the powers of the trustee) are not identical with those on which other property in his hands is held.

(4) If any person, not being a person entitled under Regulation 4 of these Regulations so to do, purports to enter into an agreement or if any payment is made thereunder in contravention of paragraphs (1) and (2) of this Regulation, any such payments made shall be repaid without interest by the Director of Savings to the person who made the payment and any certificate which may have been issued under the purported agreement shall be forfeited.

(5) In the case of any forfeiture under paragraph (4) of this Regulation, notice of such forfeiture shall be sent to the person concerned as soon as may be and the Director of Savings may require any certificate which may have been issued to be delivered up to him.

## **REPAYMENT**

### **Applications for repayment**

6.--(1) Application for payment of the amount repayable under an agreement or in respect of a certificate shall (subject to the provisions of these Regulations relating to payment in the case of special classes of persons) be made by the person to whom the terms of the agreement apply or the holder of the certificate as the case may be in writing in a manner approved by the Director of Savings. Unless the Director of Savings otherwise directs or agrees any application for repayment shall be made to the Savings Certificate and SAYE Office, Durham.

(2) Application for payment of the amount repayable may only be made in the case of an agreement for the total value of payments made thereunder and in respect of which no certificate has been issued and in the case of a certificate for the total value thereof.

(3) The person to whom the terms of an agreement apply or the holder of a certificate, being a person who has attained the age of seven years, or a person who has attained the age of seven years and on whose behalf an agreement was entered into may, subject to the approval of the Director of Savings, authorise any person to apply for or receive on his behalf the amount repayable in respect of the agreement or the certificate.

### **Repayment warrants**

7.--(1) Every payment of an amount repayable under an agreement or in respect of a certificate shall be made by crossed warrant unless either the Director of Savings otherwise directs or the applicant for repayment requests that the amount repayable be used to purchase a national savings certificate and the Director of Savings consents thereto; and accordingly in the absence of such direction or request and consent every application for payment of any such amount shall be treated as implying an authority to him to issue the warrant for that amount and to pay it in accordance with the terms of the warrant, and the death of the person who made the application for repayment shall not of itself determine such authority; but if the Director of Savings receives notice that the applicant has died or has countermanded such authority, the Director of Savings shall not issue the warrant or, if it has already been issued, shall take all reasonable steps to stop payment thereof.

(2) The provisions of section 76, subsections (1), (3), (4) and (5) and, so far as it relates to crossed cheques, subsection (6) of section 77 and sections 78, 79, 80 and 81 of the Bills of Exchange Act 1882(a) (which relate to crossed cheques) and of sections 3 and 4 of the Cheques Act 1957(b) (which relate to unendorsed cheques as evidence of payment and to the protection of collecting bankers) shall apply to any crossed warrant issued under these Regulations as if the warrant were a cheque drawn on the Director of Savings by the officer issuing the warrant, but nothing in these Regulations shall make any such warrant negotiable.

(3) Except where the Director of Savings otherwise directs, a crossed warrant shall not be paid in the case of a certificate until that certificate in respect of which the repayment is to be made has been delivered to the Director of Savings.

(4) Revoked.

(5) For the purpose of determining the amount repayable under an agreement or in respect of a certificate, the payment of the amount repayable thereunder shall be deemed to be effected on the date appearing on the warrant.

(5A) Subject to paragraph (5B) below, the date appearing on the warrant shall, unless the applicant has requested a later date, be not more than 28 days from the date on which application for payment of the amount repayable under an agreement or in respect of a certificate is received by the Director of Savings in accordance with regulation 6(1) above; and where the applicant has requested that the warrant be dated with a later date, the date appearing on the warrant shall be no later than that date save that the Director of Savings may set a different date (being not more than 10 days after the requested date) if, having regard to the terms of the agreement, he is satisfied that such different date would be in the interests of the person to whom the terms of the agreement apply or the holder of the certificate, as the case may be.

(5B) If the Director of Savings is satisfied that it is or was not practicable to dispatch the warrant in time to enable payment thereof to be made on a date within paragraph (5A) above, then the date appearing on the warrant shall be no later than the earliest date by which he is satisfied it would be practicable for the payee to obtain payment thereof. In this paragraph the expression "payment" in relation to a crossed warrant shall include paying in the warrant at a bank or other institution.

(5C) Paragraphs (5A) and (5B) of this regulation shall apply and be deemed always to have applied to all agreements entered into, and certificates issued, in respect of which repayment has not been made before the coming into force of those paragraphs, provided that in respect of such agreements and certificates the date appearing on the warrant shall not be a date which would result in the amount repayable being less than the amount that, having regard to the date on which the warrant is dispatched, would have been repayable if those paragraphs had not come into force in respect of such agreements and certificates.

(6) The posting of a letter containing a warrant addressed to any person at the last address furnished by him to the Director of Savings shall, as regards the liability of the Treasury or the Director of Savings, be equivalent to the delivery of the warrant to the person to whom the letter was addressed.

### **Amount repayable when proceeds reinvested**

7A. For the purpose of determining the amount repayable under an agreement or in respect of a certificate where repayment is not made by warrant because the proceeds are used to purchase a national savings certificate, the payment of the amount repayable shall be deemed to be effected on the date entered in the records kept by the Director of Savings as the date of such purchase.

### **Repayment in case of persons under 7 years of age and mentally disordered persons**

8.-(1) Subject to the provisions of this Regulation, no repayment shall be made in respect of an agreement entered into on behalf of or a certificate held by a person under the age of seven years.

(2) An application for repayment in respect of an agreement entered into on behalf of or a certificate held by a mentally disordered person shall be made by his receiver.

(3) Where it is shown to the satisfaction of the Director of Savings that any person holding, or having an interest in, an agreement or a certificate is either a person under the age of seven years or a mentally disordered person for whose estate no receiver has been appointed, the Director of Savings may, if he thinks fit, pay the amount repayable in respect of the agreement or certificate to any person who satisfies him that he is a proper person to receive payment.

### **Repayment in case of joint trustees**

9.-(1) Application for payment of the amount repayable in respect of an agreement entered into or a certificate held in the names of two trustees pursuant to Regulation 4(1)(b) shall be made by both trustees or, in the case of the death of one of them, by the survivor:

Provided that-

(a) where any trustee to whom the terms of an agreement apply or who is a joint holder with another trustee of a certificate, becomes bankrupt or a mentally disordered person, the application may be made by the other without the concurrence of the trustee in bankruptcy or the receiver, if any, and the Director of Savings, if he thinks fit, may, without any such concurrence, pay the amount repayable under the agreement or in respect of the certificate in the same manner as if the trustee in question were not one of the persons to whom the terms of the agreement apply or one of the holders of the certificate; and

(b) where one of the persons to whom the terms of the agreement apply or one of the holders of a certificate is the Public Trustee, the application may be made by him alone, and the Director of Savings shall pay the amount repayable under the agreement or in respect of the certificate as the case may be to the Public Trustee alone.

(2) The trustees to whom the terms of an agreement apply or the joint trustee holders of a certificate may authorise any person, including one of themselves, to act as their agent for the purpose of receiving on their behalf any amount repayable under the agreement or in respect of the certificate as the case may be.

### **Repayment in case of certificate held by persons jointly**

10.--(1) Application for payment of the amount repayable in respect of a certificate held in the names of two or more persons as joint holders shall be made by all those persons or, in the case of the death of one or more of them, by the survivors:

Provided that-

(a) where one of any joint holders of a certificate, being a trustee for the other or others of them, becomes bankrupt or a mentally disordered person, the application may be made by the other or others of them without the concurrence of the trustee in bankruptcy or the receiver, if any, and the Director of Savings, if he thinks fit, may, without any such concurrence, pay the amount repayable in respect of the certificate in the same manner as if the trustee in question were not one of the holders of the certificate; and

(b) where one of any joint holders of a certificate is the Public Trustee, the application may be made by him alone, and the Director of Savings shall pay the amount repayable in respect of the certificate to the Public Trustee alone.

(2) The joint holders of a certificate may authorise any person, including one of themselves, to act as their agent for the purpose of receiving on their behalf any amount repayable in respect of the certificate.

### **Repayment in case of bankrupts**

11. Where it is shown to the satisfaction of the Director of Savings that a bankruptcy order has been made against any person who is the person to whom the terms of an agreement apply or is the holder of a certificate, or that a trustee has been appointed in the bankruptcy of any such person, or that an order for the administration in bankruptcy of the estate of a deceased person to whom the terms of an agreement apply or who held a certificate has been made, the Director of Savings may, if he thinks fit, on an application made in that behalf by the Official Receiver or trustee, pay to the Official Receiver or the trustee, as the case may be, the amount repayable under the agreement or in respect of that certificate.

## **TRANSFERS AND ADDITION OF NAMES**

### **Transfers and addition of names**

12.--(1) The Director of Savings may in his discretion refuse to transfer the terms of an agreement or a certificate and in the case of an application to transfer the terms of an agreement shall not effect such a transfer other than into the name of another sole

person. The Director of Savings shall, if he so refuses, forthwith send an intimation of his refusal to the person desiring the transfer.

(2) Every transfer of the terms of an agreement or a certificate shall be effected by the Director of Savings causing the name of the person to whom the terms of the agreement is to be transferred or the name or names of the person or persons to whom the certificate is to be transferred to be recorded:

Provided that nothing in this paragraph shall affect any right of a nominee.

(3) The terms of an agreement and a certificate shall not be transferred except on a written application in that behalf made, in a manner approved by the Director of Savings, by either the person to whom the terms of the agreement apply or the holder of the certificate as the case may be, and every such application must in the case of a certificate, except where the Director of Savings otherwise directs, be accompanied by the relevant certificate.

(4) On the receipt of an application duly made for the transfer of the terms of an agreement or a certificate, the Director of Savings, if he is satisfied that the transfer can lawfully be made under these Regulations and ought to be made, shall forthwith cause the terms of the agreement or the certificate as the case may be to be transferred in accordance with the application, and the death of the applicant shall not of itself determine the authority given by the applicant for the transfer to be made; but if the Director of Savings receives notice before the terms of the agreement or the certificate as the case may be is transferred that the applicant has died, the transfer shall not be made.

(5) The Director of Savings may, if he thinks fit and subject to the provisions of the Regulations-

(a) on the application of a trustee to whom the terms of an agreement apply cause the name of another trustee to be recorded together with the applicant as the persons to whom the terms of the agreement jointly apply; or

(b) on the application of the holder of a certificate cause the names of any persons to be recorded as joint holders of the certificate with the applicant.

(6) The foregoing provisions of this Regulation shall, so far as applicable, apply, in the event of the death of a person to whom the terms of an agreement apply or the holder of a certificate, to the transfer of the terms of the agreement or of the certificate, as the case may be, and, in particular, any person to whom the amount repayable in respect of the certificate may be paid in accordance with the provisions of these Regulations may, subject to the provisions of these Regulations, instead of obtaining payment of the amount repayable, apply for the transfer of the terms of the agreement or the certificate as the case may be into his name or the name of another person.

## NOMINATIONS

### **Application of previous nomination**

13. Where a person who is a person to whom the terms of an agreement apply or who is the holder of a certificate has made a nomination in accordance with Regulation 13 (2) of the Savings Certificates Regulations 1972 (a) that nomination shall apply as if the references to certificates in those Regulations were references to certificates and amounts repayable under the agreement.

## PAYMENT IN CASE OF DEATH

### **Payment under grant of representation**

14.-(1) In the event of the death of the person to whom the terms of an agreement applied or who held a certificate or on whose behalf an agreement was entered into, the production of probate or letters of administration granted, or having effect as if granted, in respect of personal estate comprising the certificate by a court in the United Kingdom, the Isle of Man or the Channel Islands, or of a certified copy thereof, shall, subject to the provisions of these Regulations, be sufficient authority to the Director of Savings to pay the amount repayable under the agreement or in respect of the certificate, or to transfer the amount repayable under the agreement or the certificate, as the case may be, to the person to whom the grant was made, or as directed by that person.

(2) Where any amount repayable under an agreement or in respect of a certificate is paid, or any amount repayable under an agreement or a certificate is transferred, in purported pursuance of this Regulation, the repayment or transfer shall, notwithstanding the invalidity of, or any defect in, the probate or letters of administration, be deemed for the purposes of these Regulations to have been duly made.

(3) Nothing in this Regulation shall affect the operation of any nomination which by virtue of Regulation 13 hereof applies to the amount repayable under an agreement and to certificates.

### **Payment without a grant of representation**

15.-(1) Where, on the death of any person, being a person to whom the terms of an agreement apply or who is the holder of certificates the amount repayable in respect of which does not, at the time of his death, exceed in the aggregate £5,000, probate of his will or letters of administration to his estate is not or are not produced to the Director of Savings within such time as he thinks reasonable in the circumstances of the case, the Director of Savings, if he thinks fit, may, without requiring probate or letters of administration, pay the amount repayable under the agreement or in respect of those certificates, or any part thereof-

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(a) S.I. 1972/641; the relevant amending instrument is S.I. 1981/486.

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

(b) where the deceased has left a will (being a will with respect to which the Director of Savings is satisfied that probate or letters of administration with the will annexed would be granted), to any person to whom the amount repayable or any part thereof would, in the opinion of the Director of Savings, be payable under such will, if probate thereof or letters of administration with the will annexed were granted;

(c) to any person who satisfies the Director of Savings that he is entitled to receive the amount repayable or any part thereof in right of his being-

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

(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 subject and his 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, in the opinion of the Director of Savings, may properly be entrusted with the duty of distributing the amount repayable;

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

(f) if the deceased was a foreign subject, not being a seaman to whom the provisions of the last preceding sub-paragraph apply, to the consular authority of the country to which the deceased belonged, or to such other authority as appears to the Director of Savings to be appropriate, subject in either case to the Director of Savings being satisfied that the amount repayable will be duly distributed;

(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, as the case requires:

Provided that where a person to whom any sum may be paid under sub-paragraph (b) or (c) of this paragraph has died before payment has been made to him, that sum or any part thereof may be paid to any person to whom it might have been paid if the first mentioned person had, immediately before his death, been the person to whom the terms of an agreement applied or the holder of the certificates in question.

(2) Notwithstanding any rule of law to the contrary, any person to whom a payment may be made under sub-paragraph (b) or (c) of paragraph (1) of this Regulation or under the proviso to that paragraph may sign a receipt therefor if he has attained the age of sixteen years, and the receipt shall be a valid receipt without the signature of any other person, and where any person to whom a payment may be so made is unable, by reason of his age or for any other reason whatsoever, to give a discharge therefor under these Regulations, the Director of Savings may make the payment to any person who satisfies him that he will apply it for the maintenance or otherwise for the benefit of the first mentioned person.

(3) Subject to the provisions of the last preceding paragraph, the Director of Savings, in making any payment under sub-paragraph (b) or (c) of paragraph (1) of this Regulation or under the proviso to that paragraph, shall, unless he is of opinion that hardship or inconvenience would be thereby caused, have regard to the rules of law relating to the distribution of the estates of deceased persons, but, if he is of that opinion, may depart from those rules in such manner and to such extent as he considers just.

(4) In this Regulation the expression "will" includes a codicil.

(5) Nothing in this Regulation shall affect the operation of any nomination which by virtue of Regulation 13 hereof applies to the amount repayable under an agreement or to certificates.

### **Law applicable on death**

16. Where, in the event of the death of a person to whom the terms of an agreement applied or who was the holder of a certificate or on whose behalf an agreement was entered into, any repayment under the agreement or in respect of the certificate made under these Regulations is made in accordance with the law of the place where that person resided at the date of his death, that payment shall, unless notice in writing to the effect that he was, at that date, domiciled in some other place has been received by the Director of Savings before the payment was made, be deemed for the purposes of these Regulations to have been duly made.

### **Inheritance tax chargeable on holder's death**

17.-(1) Where, on the death of a person to whom the terms of an agreement applied or who was the holder of any certificate (not being a certificate in respect of which it is shown to the satisfaction of the Director of Savings that the deceased holder had no interest therein otherwise than as a trustee), the aggregate value of the specified assets (hereinafter defined) exceeds £50,000, the Director of Savings shall, before making any payment under the agreement or in respect of the certificate, or before transferring the terms of the agreement or the certificate, require the production of a statement from the Commissioners of Inland Revenue to the effect either that no inheritance tax, being inheritance tax chargeable on the death of such person, is payable in respect of the agreement or certificate or that any inheritance tax, being inheritance tax chargeable on the death of such person or holder, so payable has been paid:

Provided that the production of such a statement shall not be required-

- (a) where the payment or transfer is made to or as directed by:-
  - (i) the deceased person's legal personal representative acting under probate or letters of administration granted by any court in the United Kingdom, or
  - (ii) the Public Trustee, the Official Receiver, or the trustee in bankruptcy of the estate of the deceased person; or
- (b) where the deceased person was at the time of his death domiciled in the Isle of Man or the Channel Islands; or
- (c) where the beneficial interest in the agreement or certificate in question has passed to the spouse of the deceased person in circumstances in which inheritance tax is not chargeable.

(2) In this Regulation the expression "the specified assets" means the following assets (not being assets in respect of which it is shown to the satisfaction of the Director of Savings that the deceased person or holder had no interest therein otherwise than as a trustee):-

- (a) the total amount which would have been repayable (if repayment had been demanded) at the date of the death of the person in respect of all agreements recorded in his name alone or in the case of a trustee in his name jointly with any other trustee, or certificates recorded in his name alone or in his name jointly with any other person;
- (b) the total amount which would have been repayable (if repayment had been demanded) at the date of the death of the person in respect of all National Savings Certificates, War Savings Certificates, or Index-linked National Savings Certificates recorded in his name alone or in his name jointly with any other person;
- (c) the total amount (including interest) which, at the date of the death of the person, stands to the credit of all accounts in his name alone, or in his name jointly with any other person, in the National Savings Bank;
- (d) all stock and securities registered on the National Savings Stock Register at the date of the death of the person in his name alone or in his name jointly with any other person (not being stock or securities recorded on the parts of the National Savings Stock Register kept by trustee savings banks);
- (e) any amount repayable and any other sum payable in respect of all Premium Savings Bonds recorded in the person's name;
- (f) the total amount (including any bonus or interest) which would have been repayable (if repayment had been demanded) at the date of the death of the person in respect of all savings contracts entered into by him and registered by the Director of Savings under a contractual savings scheme certified by the Treasury in accordance with section 415(2) of the Income and Corporation Taxes Act 1970(a).

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(a) 1970 c. 10.

(3) For the purposes of this Regulation, the value of the stock and securities referred to in paragraph (2)(d) of this Regulation shall be-

(a) in the case of stock which is of a description corresponding to stock or securities transferable in the books of the Bank of England, the market value thereof at the date of the death of the holder; and

(b) in all other cases, the nominal capital amount thereof.

## MISCELLANEOUS

### **Persons under disability**

18. If any person who is a person to whom the terms of an agreement apply or who is the holder of a certificate is a mentally disordered person or is under legal disability for any other reason except his age alone, anything which under these Regulations is required or authorised to be done by or to that person shall or may be done by or to the receiver or other person having power in law to administer his estate.

### **Payments into National Savings Bank**

19. Where the Director of Savings is unable for any reason to obtain a valid discharge for any repayment falling to be made to any person under an agreement or in respect of a certificate, he may, unless other provision for dealing with the repayment has been made by any enactment, open an account in the National Savings Bank in the name of the person to whom the payment is due, and may, until payment can be made to the person entitled thereto, retain the amount due in that account:

Provided that-

(a) if the person to whom the payment is due has an account in the National Savings Bank, the Director of Savings may, if he thinks fit, instead of opening a new account, credit the amount payable to the existing account; and

(b) in the case of an account opened by the Director of Savings-

(i) no sum shall be received by way of deposit for the credit of the account except in pursuance of these Regulations; and

(ii) the regulations requiring a declaration to be made by a depositor in the National Savings Bank shall not apply with respect to any payment into the account by the Director of Savings.

### **Loss of certificates, etc**

20.-(1) The loss or destruction of any document issued by the Director of Savings in pursuance of these Regulations, shall be notified in writing to the Director of Savings as soon as practicable by the person entitled to possession of the document.

(2) If it appears to the Director of Savings that any document so issued has been issued in error, lost, destroyed or tampered with, or is in such a condition as to render it desirable that it should be replaced by a new document, he may, subject to the provisions of this Regulation, issue a new document in lieu of the old document to any person who satisfies him that he is entitled to the possession of the document.

(3) The Director of Savings may attach to the issue under this Regulation of any new document such conditions as to indemnity or otherwise as he thinks fit.

### **Persons unable to write**

21. Where any document is required by the Director of Savings or by these Regulations to be signed by any person and that person is unable to write, it shall be sufficient for the purposes of these Regulations if the document is marked by that person in the presence of a witness in such manner as the Director of Savings may require.

### **Rectification of mistakes**

22.-(1) Any mistake in any document received from the Director of Savings in pursuance of these Regulations, shall, as soon as practicable, be notified in writing to the Director of Savings by the person receiving the document.

(2) If the Director of Savings is satisfied that any transaction effected or thing done, or purporting to have been effected or done, in accordance with these Regulations has been effected or done in error, he may cancel the transaction and may take all such steps as are, in his opinion, necessary to rectify the error, and may for that purpose require the surrender to him of any certificate or other document.

### **Settlement of disputes**

23.--(1) If any dispute arises between the Director of Savings and--

(a) the person to whom the terms of an agreement apply, or

(b) the holder of any certificates, or

(c) a person on whose behalf an agreement was entered into, or

(d) a person who is or claims to be the personal representative or next of kin or creditor of a person to whom the terms of an agreement applied or the holder of a certificate, or the trustee in bankruptcy or assignee of such a person who is bankrupt or insolvent, or

(e) a person who claims to be entitled under any agreement or to any certificate,

the matter in dispute shall be referred in writing to the adjudicator.

(2) On any such reference being made, the adjudicator may proceed ex parte on notice in writing sent by post to the Director of Savings, and may administer oaths to any witnesses appearing before him.

(3) The award of the adjudicator on any reference under this Regulation shall be final and binding on all parties.

(4) Section 11 of the National Savings Bank Act 1971 (a) (which empowers the Treasury to direct that fees shall be charged on certain awards made by the adjudicator) shall have effect as if the awards therein mentioned included awards made under this Regulation.

(5) Where a dispute of the sort referred to in paragraph (1) above was referred before 1 January 1993 to the Chief Registrar of friendly societies or a deputy appointed by him or (by virtue of the application of these Regulations to Scotland) to the assistant registrar of friendly societies for Scotland, that dispute shall be treated as if it had been referred to the adjudicator and any thing done in relation to such a dispute by the Chief Registrar, any deputy appointed by him or the assistant registrar shall be treated as a thing done by the adjudicator.

### **Notice of trust not receivable by Director of Savings**

24.-(1) Subject to the provisions of these Regulations, no notice of a trust shall be receivable by the Director of Savings in respect of an agreement or a certificate.

(2) Neither the Director of Savings nor any person acquiring any interest under an agreement or in respect of a certificate shall, by reason that the terms of the agreement apply to any person as trustee or the certificate is held by any person as trustee (whether jointly with any other person or solely), be affected with notice of any trust or of the fiduciary capacity of the person or of any fiduciary obligation imposed on that person.

### **Exemption from stamp duty**

25. Revoked.

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(a) 1971 c. 29.

## **Fees for birth, death and marriage certificates**

26. Section 10 of the Savings Banks Act 1887(a) (which relates to the price of a certificate of birth, death or marriage required for the purpose of the Acts relating to the National Savings Bank), as amended by any Order in force for the time being under section 5 of the Public Expenditure and Receipts Act 1968(b), shall apply for the purposes of these Regulations as it applies for the purposes of those Acts, and for the purposes of these Regulations the said section 10 shall have effect as if the person to whom the terms of an agreement apply or the holder of a certificate or any person having an interest in a certificate were a depositor in the National Savings Bank.

## **Indemnity of Treasury, Director of Savings and officers**

27.-(1) The Treasury, the Director of Savings and any person acting under his authority shall not be liable in respect of any payment duly made or act duly done in accordance with these Regulations, and any such payment shall, subject to the provisions of these Regulations for saving the rights of third parties, be deemed to have been a valid payment, and the receipt of the person to whom the money was paid shall be a full discharge to the Treasury and the Director of Savings for the amount of the payment.

(2) Where a warrant for repayment of any amount repayable under an agreement or in respect of a certificate is issued payable to some person being neither the person to whom the terms of the agreement apply nor the holder of the certificate nor a person otherwise entitled under these Regulations to receive repayment in respect thereof, then, if it is shown that-

(a) the warrant was issued in good faith and without negligence; and

(b) the issue of the warrant to that person is attributable to some act or omission on the part of the person to whom the terms of the agreement apply or to the holder of the certificate or to a person otherwise so entitled to receive repayment, the warrant shall, subject to the provisions of these Regulations for saving the rights of third parties, be deemed to have been duly issued to a person who was entitled to receive repayment.

## **Saving of rights of third parties**

28. Nothing in these Regulations, for the protection of the Treasury or the Director of Savings in respect of any act done or any money paid shall operate to prevent the recovery by any person or his representatives of any money lawfully due to him from the person to whom that money was paid by or under the direction of the Director of Savings, or from the representatives of that person, or affect the right which any person or his representatives may have under an agreement or in respect of a certificate against a third party.

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(a) 1887 c. 40

(b) 1968 c. 14

## **Form of documents**

29. Where any application is required by these Regulations to be made in a manner approved by the Director of Savings, the document in which the application is made shall contain a full and specific statement of the particulars required to be given, and any such document which is required by the Director of Savings to be signed by any person shall be signed by that person.

## **Evidence of identity, etc.**

30.-(1) The Director of Savings shall be entitled to require evidence to be given to his satisfaction of the identity of any person or of the title of any person to the terms of an agreement, to any certificates, document or money, or to require evidence that anything purporting to be done in pursuance of these Regulations has been duly done, or otherwise with respect to any matters on which the due exercise of his powers or performance of his duties under these Regulations depends, and the Director of Savings may, for the purpose of obtaining any such evidence, require a statutory declaration to be made by any person.

(2) The Director of Savings may accept as conclusive proof of the death of any person to whom the terms of an agreement applied or who held any certificate any evidence which establishes to his satisfaction the fact that the person has not been heard of for a period of seven years or more, and, for the purposes of this paragraph, the expression "person" includes any person beneficially interested at any time, whether absolutely or contingently, in the personal estate of the deceased.

## **Obligation of secrecy**

31.-(1) A person employed in connection with business arising under these Regulations shall not disclose to any person, other than the Director of Savings or a person employed in carrying these Regulations into execution, the name of any person to whom the terms of an agreement apply or the holder of any certificate, the number of certificates held by any person, or agreements entered into by or on behalf of any person, or the amount repaid under any agreement or in respect of any certificate.

(2) The last foregoing paragraph shall not prevent the disclosure by a person authorised for the purpose by the Director of Savings of information to any person in connection with an offence committed with reference to any agreement or certificate or for the purpose of ascertaining whether or not an offence has been so committed nor shall it prevent the Director of Savings from complying with a notice served on him under section 20(4)(b) of the Taxes Management Act 1970(a) (persons who may be required to produce documents relating to liability of taxpayer arising from business).

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(a) 1970 c. 9.

(3) Notwithstanding paragraph (1) of this regulation, information of any description mentioned in that paragraph may be disclosed in accordance with, and subject to such conditions as may be specified in, arrangements made by the Director of Savings for the purpose of enabling the person to whom the information is disclosed to provide, or assist in connection with the provision of, relevant information to a holder, and any such person shall, in respect of any information which he receives in accordance with this paragraph, be subject to the obligation of secrecy imposed by this regulation as if he were a person employed in connection with business arising under these Regulations.

(4) In paragraph (3) of this regulation—

(a) “holder” means the person to whom the terms of any agreement apply or the holder of any certificate, and

(b) “relevant information” means information about any investment opportunities, services or facilities available from or through the Director of Savings, including any information about –

(i) the National Savings Bank,

(ii) the National Savings Stock Register, or

(iii) any means by which the Treasury raise money under the auspices of the Director of Savings.

#### **Saving for rights of joint holders, etc**

32.-(1) Nothing in these Regulations relating to joint holders of certificates shall affect the mutual rights of any joint holders.

(2) Nothing in these Regulations relating to trustees shall as between either trustee or as between any trustee and the beneficiary under a trust be deemed to authorise the trustees to act otherwise than in accordance with the rules of law applying to the trust and the terms of the instrument (if any) constituting the trust.

## **Application to Scotland**

33. In the application of these Regulations to Scotland-

(a) any reference to a mentally disordered person shall be construed as a reference to a person who is incapable by reason of mental disorder within the meaning of the Mental Health (Scotland) Act 1960<sup>(a)</sup> of managing and administering his property and affairs;

(b) any reference to a receiver in relation to a mentally disordered person shall be construed as a reference to a curator bonis, guardian or tutor;

(c) any reference to a bankruptcy order shall be construed as a reference to an award of sequestration;

(d) any reference to the Official Receiver shall be construed as a reference to the trustee or judicial factor in bankruptcy;

(e) any reference to probate, letters of administration or letters of administration with the will annexed shall be construed as a reference to confirmation of an executor;

(f) any reference to the Treasury Solicitor shall be construed as a reference to the Queen's and Lord Treasurer's Remembrancer.

## **Application to Northern Ireland**

34.-(1) These Regulations shall extend to Northern Ireland.

(2) In the application of these Regulations to Northern Ireland-

(a) any reference to a mentally disordered person shall be construed as a reference to a person who, by reason of unsoundness of mind, or of mental disorder within the meaning of the Mental Health Act (Northern Ireland) 1961<sup>(b)</sup>, is or is considered incapable of managing his affairs;

(b) any reference to a receiver in relation to a mentally disordered person shall be construed as a reference to a committee or any other person appointed pursuant to the Lunacy Regulation (Ireland) Act 1871<sup>(c)</sup> (as amended) and the orders made thereunder to exercise with respect to the estate of such person powers similar to those of a committee;

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<sup>(a)</sup> 1960 c.61.

<sup>(b)</sup> 1961 c. 15 (N.I.).

<sup>(c)</sup> 1871 c. 22.

(c) any reference to a bankruptcy order shall be construed as a reference to an order of adjudication of bankruptcy, or to an order in any arrangement operating by virtue of section 349 of the Irish Bankrupt and Insolvent Act 1857(a) to vest a deposit in the Official Assignee alone or jointly with any person;

(d) any reference to the Official Receiver shall be construed as a reference to the Official Assignee in Bankruptcy;

(e) any reference to the Treasury Solicitor shall be construed as a reference to the Chief Crown Solicitor for Northern Ireland.

### **Application to the Isle of Man**

35.-(1) These Regulations shall extend to the Isle of Man.

(2) In the application of these Regulations to the Isle of Man-

(a) any reference to a receiver in relation to a mentally disordered person shall be construed as a reference to the committee of the estate of a person found of unsound mind according to the law of the Isle of Man or to a receiver appointed under section 75 of the Mental Health Act 1974 of the Isle of Man, as the case may be;

(b) any reference to the Treasury Solicitor shall be construed as a reference to the Attorney-General of the Isle of Man.

### **Application to the Channel Islands**

36.-(1) These Regulations shall extend to the Channel Islands.

(2) In the application of these Regulations to Jersey--

(a) any reference to a mentally disordered person shall be construed as a reference to a person suffering from mental disorder within the meaning of the Mental Health (Jersey) Law 1969;

(b) any reference to a receiver in relation to a mentally disordered person shall be construed as a reference to a curator;

(b) the references in regulation 7(2) of these Regulations to sections 3 and 4 of the Cheques Act 1957 shall be respectively construed as references to articles 3 and 4 of the Cheques (Jersey) Law 1957;

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(a) 1857 c. 60(2) & 21 Vict.).

(d) any reference to a bankruptcy order shall be construed as a reference to a declaration of "désastre";

(e) any reference to the Official Receiver shall be construed as a reference to Her Majesty's Viscount for Jersey or to an "attourné" appointed in bankruptcy, as the case may be;

(f) any reference to the Treasury Solicitor shall be construed as a reference to Her Majesty's Receiver General for Jersey;

(g) a nomination made by the person to whom the terms of an agreement apply or who is the holder of a certificate and who is domiciled in Jersey of any person in respect of any sum due under an agreement or in respect of any certificate held by him at his death shall take effect only as to that portion of his personal estate over which he has power of testamentary disposition according to the law of Jersey, but any repayment made to that nominee without notice of the incapacity of the person who has made the nomination to dispose of the whole or any portion of the estate nominated shall be a valid payment.

(3) In the application of these Regulations to Guernsey, Alderney and Sark--

(a) any reference to a mentally disordered person shall be construed as a reference to a person who under any law for the time being in force in any of the Islands of the Bailiwick of Guernsey is a person of unsound mind;

(b) any reference to a receiver in relation to a mentally disordered person shall be construed as a reference to a guardian appointed by the Royal Court of Guernsey, the Court of Alderney or the Court of the Seneschal of Sark, as the case may be;

(c) any reference to the Treasury Solicitor shall be construed as a reference to Her Majesty's Receiver-General;

(d) any reference to a statutory declaration shall be construed, in relation to Guernsey, as a reference to a declaration on oath before the Bailiff, a jurat, the Magistrate or a Notary Public, in relation to Alderney, as a reference to a declaration on oath before the Court of Alderney, and, in relation to Sark, as a reference to a declaration before the Seneschal;

(e) the references in Regulation 7(2) of these Regulations to section 76, subsections (1), (3), (4) and (5) and, so far as it relates to crossed cheques, subsection (6) of section 77, and sections 78, 79, 80 and 81 of the Bills of Exchange Act 1882 shall be respectively construed as references to section 75, subsections (1), (3), (4) and (5) and, so far as it relates to crossed cheques, subsection (6) of section 76, and sections 77, 78, 79 and 80 of the Bills of Exchange (Guernsey) Law 1958, and the references in the said Regulation 7(2) to sections 3 and 4 of the Cheques Act 1957 shall be respectively

construed as references to sections 83 and 84 of the Bills of Exchange (Guernsey) Law 1958;

(f) for Regulation 11 of these Regulations there shall be substituted the following Regulation:-

"11. Where it is shown to the satisfaction of the Director of Savings that any person who is the person to whom the terms of an agreement apply or who is the holder of a certificate is insolvent, the Director of Savings may, if he thinks fit, pay the amount repayable under the agreement or in respect of the certificate to any person who makes application in that behalf and who satisfies him that he is a proper person to receive payment.";

(g) in Regulation 23(1)(d) of these Regulations the words "or the trustee in bankruptcy or assignee of such a person who is bankrupt or insolvent" shall be deleted;

(h) a nomination made by a person to whom the terms of an agreement apply or who holds a certificate and who is domiciled in the Bailiwick of Guernsey of any person in respect of any sum due under the agreement or in respect of any certificate as the case may be held by him at his death shall take effect only as to that portion of his personal estate over which he has power of testamentary disposition according to the law of the said Bailiwick, but any payment made to the nominee without notice of the incapacity of the person who made the nomination to dispose of the whole or any portion of the estate nominated shall be a valid payment.

IAN B LANG,  
DONALD THOMPSON,  
Two of the Lords Commissioners of  
Her Majesty's Treasury.

7th June 1984

## **EXPLANATORY NOTE**

(This Note is not part of the Regulations.)

These Regulations contain provisions relating to the making and recording of agreements for the purchase of National Savings Certificates by instalments. The main provisions of the Regulations are as follows:

(1) agreements may be entered into only by individuals aged seven or more, and by not more than two trustees (Regulation 4); and the maximum payment permitted by or on behalf of any one person is £100 per month (Regulation 5);

(2) transfers of agreements may only be made at the discretion of the Director of Savings (Regulation 12);

(3) certain nominations previously made in respect of National Savings Certificates will apply to certificates purchased under the agreements (Regulation 13);

(4) in case of the death of a person who had entered into an agreement, payment may be made to his personal representative (Regulation 14) or, where the amount repayable does not exceed £5,000, payment may be made without a grant of representation to the persons specified in Regulation 15;

(5) disputes are to be referred to the adjudicator (Regulation 23).

(6) no notice of trust is receivable by the Director of Savings in respect of an agreement or certificates purchased thereunder (Regulation 24);

(7) the Treasury and the Director of Savings are indemnified in respect of payments duly made and acts duly done under the Regulations (Regulation 27).

## REGULATION

## AMENDED BY STATUTORY INSTRUMENT

2	1985/1035, 1992/3113
5(1)	1985/1035, 1988/1357
5(2)	1985/1035, 1988/1357
6(1)	1991/75
7(1)	1989/1521
7(4)	1991/75
7(5A)	1991/75
7(5B)	1991/75
7(5C)	1991/75
7A	1989/1521
8(3)	1988/1357
11	1986/2001
17(1)	1993/3132
23	1992/3114
25	1988/1357
31(2)	1988/1357
31(3)	1997/1863
31(4)	1997/1863
33(c)	1986/2001
34(2)(c)	1986/2001
36(2)(d)	1986/2001