For their future

Invest for your children today and see them enjoy tax-free benefits tomorrow
Children’s Bonds can be bought for children under 16 by parents, guardians, grandparents or great grandparents.

Enjoy guaranteed returns with fixed rates of interest for five years.

Pay no UK Income Tax or Capital Gains Tax on any of the returns.

Our Children’s Bonds are a unique investment. They offer guaranteed returns that are tax-free for both you and your child. They make great gifts at birthdays and Christmas: from a minimum investment of just £25, up to a limit of £3,000 per Issue. Over time, this can add up to a substantial amount of money, giving your child a tax-free head start in life.
### Investing in Children’s Bonds

Investing in Children’s Bonds is very straightforward.

You choose how much you want to invest for the child. It can be any amount from £25 up to £3,000 per Issue.

Then we add interest at a fixed rate each year for five years.

### How much can be invested?
- **Minimum:** £25
- **Maximum:** £3,000
- And that’s for each Issue and each child.

### When can I invest?
- We sell Bonds in separate ‘Issues’, so you can buy whenever one is on sale.
- Issues can be changed or withdrawn without notice.
- Find out more about the latest Issue on our website or call us.

### How long is it for?
- Children’s Bonds are designed to be held for five years at a time.
- You can cash in early but there will be a penalty.
- Find out more about cashing in early on page 9.

### What about interest?
- The interest rate is guaranteed, so you know how much the investment will be worth at the end of the 5-year term.
- Find out more about how the Bond grows on page 5.

### What about tax?
- The interest earned is completely free of UK Income Tax and Capital Gains Tax for both the child and the parents.
- Even if the child starts work and becomes a taxpayer before cashing in their Bonds, they still won’t have to pay tax on the interest.
- Children’s Bonds can be held in addition to Junior ISAs and they aren’t linked to the tax year.

### Who can apply?
- Parents and legal guardians can apply on behalf of their child under 16 online, by phone or by post.
- (Great) grandparents can apply on behalf of their (great) grandchild under 16. They can apply by post only.
Who looks after the Bond?

**Parent or legal guardian**

1. Children’s Bonds are owned by the child.
2. Until the child’s 16th birthday the parent or guardian nominated on the application looks after the Bond – regardless of who bought it.
3. We send an investment record, statements and all correspondence to the parent or guardian nominated on the application, until the child is 16.

**Grandparent or great grandparent**

1. Grandparents who buy Children’s Bonds must nominate one of the child’s parents or guardians to look after the Bond until the child is 16.
2. We send an investment record, statements and all correspondence to the parent or guardian nominated on the application, until the child is 16.
3. We send an acknowledgement of the investment to the (great) grandparent.

What happens when the child is 16?

**Parent or legal guardian**

1. Once the child is 16, they take responsibility for their own Children’s Bonds.
2. From then onwards we send any correspondence to the child.

**Grandparent or great grandparent**

1. Grandparents who buy Children’s Bonds must nominate one of the child’s parents or guardians to look after the Bond until the child is 16.
2. From then onwards we send any correspondence to the child.

What if the child lives outside the UK?

You’ll need to check:

1. Do local regulations allow you to invest in NS&I Children’s Bonds?
2. The tax position in the child’s country of residence.

You can only apply by post – you won’t be able to use our online service.

When parents and/or purchasers of the Bond live outside the UK, you will need to send us documents as proof of your identity and address.

You’ll also need to send us your Tax Identification Number and date and place of birth if you live in the European Union.

To find out more before you apply, visit our website [nsandi.com](http://nsandi.com) or call us on +44 1253 832007 (overseas customers only). Charges will be at the rate of your international phone provider.
When you invest

Investing in Issues
You can invest up to £3,000 for a child whenever an Issue is on general sale. Issues can be changed or withdrawn without notice. To find out when a new Issue goes on sale, you can sign up for email updates and we’ll let you know. That applies even if you live overseas.

How to find the latest interest rate
You’ll find the rate for the current Issue on our website, or call us.

How the Bond grows

Fixed interest
The rate at which the Bond earns interest is guaranteed for a set term of five years.

How we pay interest
The child’s investment starts earning interest from the day you apply – assuming your application is successful.
We calculate the interest on the daily balance at the fixed rate on offer when you invested.

At the end of each year
We add the interest earned to the Bond on the anniversary of investment. This means it grows in value each year. From the second year onwards the Bond will earn interest on the previously earned interest as well as the original investment. This means the child will get the benefit of compound interest.

Building up your child’s investment
You can buy more Bonds for the child for as long as that particular Issue remains on sale, up to the limit of £3,000 in total. Or if we have released another Issue in the meantime, you can invest up to a further £3,000 in the new Issue.

What happens if you cash in early
You will need to keep the money invested for the whole of the 5-year term to get the full return.
The Bond can be cashed in early, but we will deduct a penalty from the payment equivalent to 90 days’ interest on the amount cashed in.
You can choose to cash in part of a Bond rather than the full investment, though at least £25 must remain invested for the Bond to stay open. You can cash in online or by phone if you’ve registered for this service (see page 6). Or call us and we’ll send you a cashing in form.
The person who looks after the Bond can cash it in at the end of its term with no notice and no penalty.

When the Bond matures

We will get in touch
Around a month before the end of each 5-year term, we’ll write to the person who looks after the Bond to explain the options available at that time.
Don’t forget to let us know of any change of address or contact details so we can get in touch.
Decisions, decisions

The table below will help you decide if Children’s Bonds are the right investment for you.

Right for you if:

- You want a long-term, tax-free investment for your child’s future
- You want to know exactly what return you’ll get
- You can leave the investment for five years at a time
- You have £25 or more to invest

Not for you if:

- You want to invest for a young person over 16
- You want an account that the child can control
- You think the child might need access to the money early
- You are not the child’s parent, legal guardian or (great) grandparent

Keeping track of the Bonds

The parent or guardian who is responsible for the child’s Bond can look after it online and by phone.

Register for our online and phone service and you’ll be able to:

- Buy, keep track of and cash in your child’s Bonds.
- Keep details like your address, email and nominated bank account up to date.
- Look after your own NS&I savings and investments as well.

Please remember, if you don’t register you won’t be able to manage your child’s money by calling us or visiting our website. And you can still deal with us by post even if you register, if you’re happy for your transactions to take a little longer.

How to register

If you apply for your child’s Bonds online or by phone we’ll register you automatically. Or visit nsandi.com/register or call us to find out more and register.

When you register we’ll ask you to choose a password and answer some security questions. We’ll give you a unique NS&I number.

There’s no need to re-register for our online and phone service if you have already registered for another NS&I investment. You can use your existing NS&I number and password to manage the Bonds.

Prefer to use the post?

You can write to us at any time to give us instructions about your child’s Bonds. Or call us and we can post you any forms you need.

You can also download and print many of our forms from our website without needing to be registered.
Have you bought Children’s Bonus Bonds in the past?

We made some important changes to our Bonds in September 2012.

Read this section to discover how they might affect any Bonds you bought before then.

**There’s a new name**

Children’s Bonus Bonds are now known simply as Children’s Bonds. That’s because we no longer pay a bonus at the end of the five years. Instead we give a single guaranteed rate of interest for five years, but with no bonus at the end.

For any given rate of return, the amount the child gets will be the same as before — we’re just calculating the interest in a simpler way.

**Children can no longer hold the investment until their 21st birthday**

Instead each Bond will finally mature once it reaches the first 5-year anniversary on or after the child’s 16th birthday.

When this happens, the child won’t be able to hold the Bond for another term. They can choose to reinvest the money in another NS&I account or investment or cash in the Bond.

**Not everyone can buy Children’s Bonds**

You must be the child’s parent, guardian or (great) grandparent to invest in Children’s Bonds. Sorry but if you’re not related in this way, you won’t be able to buy Bonds for them in future.

**Children’s Bonus Bonds change at their next 5-year anniversary**

Any Children’s Bonus Bonds your child already has are still valid. They will carry on as normal till their next 5-year anniversary when the Bonds will be renewed as Children’s Bonds, should you choose to hold them for another term.

We’ll write to the person looking after the investment to explain the options available at that time.
Ready to apply?

Only the parent or guardian of the child can apply online or by phone.
Before you apply, please read the summary box and the terms and conditions, nsandi.com/childrens-bonds-summary.

Apply online

If you’re not ready to invest online you can still use our website to learn more, sign up for email alerts or register to manage your Bonds online and by phone.

Apply by phone

You can call us any time. We’re here in the UK all day, every day. Calls from the UK are free.
We may record your call to help us give you the best service.

Apply by post

Fill in the application form

Find out more on page 9.

Please have ready:

☐ A debit card in your own name and issued by a UK bank.
☐ Your NS&I number and password if you are registered for our online and phone service.

After you apply

There are a few things we need to do before we accept your application and send the Bond record. This can take a while if we need more information from you or others named on the application.
But don’t worry, if everything goes through smoothly the date of the Bond will be the date we received your application.

Here’s what happens next

1. We’ll check your and your child’s identity and address if we haven’t already done so. We normally do this electronically, but we may also ask you to send us some documents.
2. We may send you a confirmation form to sign and return.
3. When we receive your confirmation form and any documents we’ve asked for, we’ll send the Bond record.
4. We’ll also send confirmation of your NS&I number, and a temporary password if you haven’t already chosen one. You can then start using our online and phone service. Before then you can still deal with us by post.

Of course, not all of these steps will apply to you if you’re already an established customer and have registered for our online and phone service. We’ll just send you the Bond record.
Terms and conditions: 1 December 2016

Description
1. This agreement applies to National Savings and Investments ("NS&I") Children’s Bonds ("Bonds"), and these terms and conditions have been set pursuant to section 12 of the National Loans Act 1968. These terms and conditions set out the obligations we have to you, as a customer, and the obligations you have to us. Please read these carefully and keep for reference.
2. Bonds are a UK Government security subject to the National Savings (Nos. 2) Regulations 2015 (Statutory Instrument Number: 2015/624) as amended or re-enacted from time to time. In the event of any differences between these terms and conditions and the Regulations, the Regulations will prevail.

Definitions
3. In these terms and conditions:
   (a) "anniversary date" means any anniversary of the date of purchase of a Bond, but if the date of purchase was 29 February, the anniversary date will always be 28 February (even in a leap year);
   (b) "BACS" means the Banking Automated Clearing Service;
   (c) "banking day" means a day (other than a Saturday, Sunday or bank holiday) on which banks are generally open for business in London, and, in relation to the processing of a payment, any other place of receipt;
   (d) "Bond" means an NS&I Children’s Bond;
   (e) "Bond holder" means a person in whose name a Bond is held;
   (f) "Director" means the Director of Savings;
   (g) "electronic transfer" means payments, or purchases, by BACS or Faster Payments, including under a standing order (unless the context requires otherwise);
   (h) "maturity date" means the day after the last day of the term;
   (i) "nominated parent or guardian" means the person(s) named on the application to invest to control the Bond on behalf of the Bond holder aged under 16 years, this will normally be a person with parental responsibility for the Bond holder (see paragraph 3(k));
   (j) "NS&I" means National Savings and Investments;
   (k) "person with parental responsibility" means a person who has parental responsibility for the Bond holder within the meaning of the Children Act 1989. This will normally mean either a parent or guardian of the Bond holder;
   (l) "prospective user" means a person described in paragraph 81 who is entitled to become registered as a "registered user";
   (m) "registered user" means a person who has registered to use the Service;
   (n) "renewed investment" means an investment in a Bond that has reached maturity and has been invested for a further term in the same or another Bond;
   (o) "Service" means the telephone and internet services provided by NS&I for the purposes of purchasing and managing Bonds as described in paragraph 81.
   (p) "term" means the period for which rates of interest were fixed at the time of purchase of the Bond (see also paragraphs 8 and 9 inclusive) (unless the context requires otherwise).
4. For the purposes of these terms and conditions, any references to "we", "us" or "our" are references to the Director or those acting under the Director’s authority.

Meaning of complete month
5. For the purposes of these terms and conditions, a month is completed at the end of the day immediately before the same date as the date of purchase of a Bond, but in a month following the month of purchase (for example, for a Bond purchased on 5 January, the first month is completed at the end of 4 February).
6. Where the date of purchase was 29, 30 or 31 of a month, and a later calendar month does not contain such a date, the relevant month is completed at the end of the day preceding the last day of that calendar month (for example, for a Bond purchased on 31 March, the first month is completed at the end of 29 April).
7. In the case of a Bond with a purchase date of 29 February, every 12th month will be completed at the end of 27 February, even where that month falls in a leap year.

Investment terms
8. A Bond earns interest at a rate fixed for a 5-year term.
9. The last day of the term will be the day which immediately precedes the relevant anniversary date (for example, the last day of a 5-year term beginning on 5 January 2013 will be 4 January 2018).

Issues of Bonds
10. Each Bond issued belongs to an "Issue". Each Issue has a specific interest rate that applies to it.
11. Any Issue can be withdrawn from sale without notice. An application can only be accepted for the Issue on sale on the date of purchase (see paragraphs 30 and 31).
12. Some Issues may be exclusively available:
   • through certain sales channels (for example, telephone and internet);
   • to existing Bond holders with maturing Bonds.
13 The details applicable to each Issue on general sale offered under these terms and conditions will be:
   • published on the NS&I website;
   • published in our Interest Rates leaflet available from NS&I;
   • published in the London, Edinburgh and Belfast Gazettes; and
   • made available directly from NS&I over the phone.
14 The details applicable to issues exclusively available to existing Bond holders with maturing Bonds will be provided in the pre-maturity information that nominated parents or guardians receive when existing Bonds are due to mature.

Interest
15 Subject to paragraphs 49 and 76 to 78 inclusive, interest is earned for each day a Bond is held based on the value of the Bond at the end of that day. For this purpose the value of the Bond will be reduced by any repayments dated for that day (see paragraphs 58 and 60).
16 Interest is earned on a daily basis at 1/365th of the annual interest rate for each day.
17 We will add any interest earned to the value of the Bond annually on the anniversary date. It will then form part of the capital value of the Bond which will earn further interest unless the Bond is cashed in. The capital value of the Bond after the annual interest has been added will be rounded to the nearest penny.
18 If the anniversary date falls on a day which is not a banking day, the Bond will not be credited with interest until the next banking day. If the anniversary date falls on 29 February, interest will be added on 28 February, even where that month falls in a leap year.

How to purchase Bonds
24 Subject to paragraph 25, an application to purchase Bonds can be made:
   (a) via the internet;
   (b) by telephone; or
   (c) by post to NS&I.
25 Only applications to purchase made by a parent or legally appointed guardian can be made via the internet and by telephone. Applications made by grandparents or great-grandparents can only be made by post.
26 As Bonds have a specified term, it is not possible to invest further money in a particular Bond once it has been issued. Where Bonds of a particular Issue have been purchased on different dates, a new Bond will be issued in respect of each purchase.
27 Where an applicant applies by telephone or via the internet, the Bond must be purchased using a debit card in the name of the applicant issued by a UK bank or building society.
28 Where an applicant makes an application via the internet or by telephone, we may ask the applicant to provide their signature. If so, we will write to the applicant, specifying the time by which we need to receive their signature. If we do not receive the signature within the specified time we will not be able to process the application. If this is the case any money paid to us will be refunded to the relevant debit card or by issuing a crossed warrant (like a cheque). However, we reserve the right to use another method for payment if necessary. No interest will be earned or paid for the intervening period.
29 When an application is made by post the Bond must be purchased using a cheque drawn on a UK bank or building society account held by the applicant, or by a building society branch cheque or banker’s draft.
30 In all cases, an application to purchase is subject to acceptance by us. Once an application to purchase has been accepted, the date of purchase will be the date that the completed application to purchase was received by us. For these purposes:
   (a) an application to purchase using a debit card for payment will not be considered complete until we have received the authorisation of payment from the debit card issuer; and
   (b) we accept no responsibility for applications which are lost in the post or affected by postal delays, and proof of postage will not be accepted as proof of delivery.

Evidence of identity
32 We are required to verify the identity and address of our customers before we can accept an application to invest. To do this we may make electronic checks with a credit reference agency. When you apply to invest on behalf of the child, you confirm that you, and anyone else named on the application, are aware that your and their identity and address will be checked.
33 When applying to invest or at any time, we may also request documentary evidence of your identity, address and/or source of funds. Our request will let you know by when you need to send us the documents. If we don’t receive your documents within that time we will not be able to process your application. We may also request documentary evidence directly from any other person named in the application. We accept no responsibility for documents which are lost in the post, or affected by postal delays. Proof of posting will not be accepted as proof of delivery.
34 Where we can’t accept your application in these circumstances (paragraphs 32 and 33), we will cancel it and refund the money to your debit card or by issuing a crossed warrant (like a cheque). However, we reserve the right to use another method for payment if necessary. No interest will be earned or paid for the intervening period.

Cancellation rights
35 As Bonds are a fixed rate investment with a set term, there is no right to cancel after investment. However, Bonds can be cashed in at any time. If a Bond is cashed in prior to maturity a penalty will be applied (see paragraphs 45 to 52).

Purchase and holding limits
36 The minimum value Bond that may be purchased is a £25 Bond.
37 An applicant may not apply to purchase a Bond if immediately after that purchase the Bond holder would hold more than £3,000 (at purchase price) of Bonds of that Issue.
38 Renewed investments are not subject to the limits on purchasing Bonds set out in paragraph 37, nor do they count towards a person’s holding for the purposes of determining whether any other application to purchase further Bonds on their behalf may be made. For example, a nominated parent or guardian could renew a maturing £3,000 Bond into a particular Issue and could purchase up to an additional £3,000 in that Issue, if that Issue is on general sale (see paragraph 12).
39 If an applicant should complete an application in error which would take the total holding of a Bond holder in a particular Issue over the holding limit then, in respect of the excess amount:
   (a) the value will be returned to the purchaser if the error is identified before the investment record is issued; or
   (b) the value will remain the property of the Bond holder and may earn interest at the discretion of the Director at such rate as the Treasury may determine. Such interest will be liable to UK Income Tax. The Director will notify the nominated parent or guardian (see paragraph 30), or the Bond holder if aged at least 16, of the excess so that it can be repaired or reinvested into another NS&I product.

Control of the Bond
40 Until the Bond holder is aged 16, control of the Bond will rest with the nominated parent or guardian.
41 Subject to paragraph 43, the nominated parent or guardian, or court-appointed deputy, shall have the same authority to control the Bond as a Bond holder aged 16.
42 All correspondence relating to the Bond (including the investment record and anniversary statements (see paragraphs 71 to 74 inclusive)) will be sent to the nominated parent or guardian.
43 While the Bond holder is aged under 16 the Director will only repay a Bond, or part of a Bond, to a person who satisfies the Director that he or she is a proper person to receive payment on behalf of the Bond holder. This will normally be the nominated parent or guardian.
44 Except where a deputy has been appointed, the Bond holder will obtain control over a Bond when they have reached the age of 16.

Cashing in
45 Bonds purchased by cheque or debit card can only be cashed in after payment has cleared. However, in certain circumstances, we may allow Bonds purchased by debit card to be cashed in before the payment has cleared. If we so allow, we will repay the sum requested to the debit card from which the payment was made.
46 It will normally take seven banking days from the date of purchase for payments to clear. For example, if we receive a cheque on a Monday, the payment will be cleared on the Tuesday of the following week. One additional day should be allowed for each English bank holiday. The same clearance periods apply for debit card payments.
47 For internet or telephone applications to cash in made via the Service, repayment will be made by electronic transfer to the nominated bank account (see paragraph 53).
48 For postal applications to cash in, repayment will normally be made by electronic transfer to the nominated bank account. However in certain circumstances we may accept requests for repayment to be made by crossed warrant (see paragraphs 60 and 61).
Penalty
49 Except where paragraph 50 applies, a penalty equivalent to 90 days’ interest on the sum requested, at the interest rate the Bond is earning, will be deducted from the repayment. This penalty also applies to Bonds held for less than 90 days, and this means that if a Bond holder cashes in an entire Bond that they have held for less than 90 days, they will get back less than they originally invested.

50 No penalty will be charged:
(a) where a Bond is cashed in at the end of its original term, or at the end of any further term (see paragraph 76), and we received the instruction to cash in by the end of that term;
(b) where an instruction to cash in is made after the death of a Bond holder;
(c) where a Bond is cashed in as a result of a detrimental change to the terms and conditions applying to the Bond (see paragraph 110).

51 Partial encashments Bond holders may cash in part of a Bond, subject to the payment of the penalty for early repayment (see paragraph 49).

52 There is no minimum limit for repayments. However, where a Bond holder is requesting a partial encashment, at least £25, excluding interest which has not yet been added, must remain invested in that Bond, otherwise the request will be rejected.

Repayments by electronic transfer
53 Where repayment is to be made by electronic transfer, repayments will normally be made to a UK bank account (including an NS&I Direct Saver) or building society account in the Bond holder’s name, or in the name of the person with parental responsibility. The account to receive such repayments must be nominated at the time of the application to invest. Any applications to invest that do not contain nominated bank account details will be rejected.

54 We intend to use BACS as the means of making these electronic transfers (although we reserve the right to use a different means if necessary).

55 The nominated bank or building society account must be capable of receiving payments via BACS.

56 For telephone or internet applications to cash in, we will normally initiate the electronic transfer within three banking days of receiving instructions.

57 For postal applications to cash in, we will normally initiate the electronic transfer within five banking days of receiving instructions.

58 Once we have initiated the electronic transfer, the date of repayment, for the purposes of these terms and conditions, will be considered to be the date on which, in the normal course, the requested amount would be credited to the specified bank or building society account. In the case of BACS, this is normally two banking days after we initiate the transfer.

59 Where an electronic transfer is initiated properly we will not be liable for:
(a) any failure or delay of the receiving bank or building society in crediting the specified account;
(b) any failure or delay in any part of the electronic transfer process which is beyond our direct control (including any failure of the system to be capable of receiving an electronic transfer).

Repayments by crossed warrant
60 In exceptional circumstances payment can, on request, be made by crossed warrant (like a cheque). In such cases, the date the Bond is cashed in will be taken to be the date on the warrant.

61 We will normally put the warrant in the post within five banking days of receiving the instructions to cash in.

Amount due when cashing in the entire Bond
62 The amount due when a Bond is cashed in on the maturity date will be the capitalised value of the Bond (see paragraph 17).

63 The amount due when a Bond is cashed in on an anniversary date (except where it is also the maturity date) will be the capitalised value of the Bond (see paragraph 17) less any penalty deducted (see paragraphs 49 and 50).

64 The amount due when a Bond is cashed in between anniversary dates will be the capitalised value of the Bond (see paragraph 17) (or the original Bond value if the Bond has been held for less than one year) plus interest earned at 1/365th of the annual interest rate for each day held since the last anniversary date (or date of investment if the Bond has been held for less than one year) less any penalty deducted (see paragraphs 49 and 50).

65 The amount due when a Bond is cashed in will be rounded to the nearest penny before the repayment is made.

Repayment of Bonds by NS&I
66 We can repay Bonds immediately, without needing an application to cash in, if:
(a) we reasonably think any of the persons named in the application have provided false information;
(b) we reasonably suspect that the Bond is being held for an illegal purpose;
(c) the applicant who applied to purchase the Bond was not entitled to purchase it, or the Bond holder is not entitled to hold it;
(d) the Bond holder’s holding exceeds the maximum allowable (see paragraph 37) (to the extent that the holding exceeds the maximum allowable in any one issue);
(e) the Bond holder, or the nominated parent or guardian, fails to comply, in a material manner, with the terms and conditions for holding the Bond;
(f) the Bond has reached its maturity date and the Treasury has decided that it is not eligible to earn interest for a further term (see paragraph 76); or
(g) we have any other valid reason to do so.

Giving us instructions
67 Instructions can be given:
(a) via the internet (where a holder, or person nominated to act on their behalf (see paragraphs 3(i) and 81), is registered for the Service);
(b) by telephone (where a holder, or person nominated to act on their behalf (see paragraphs 3(i) and 81), is registered for the Service);
(c) by post by completing the relevant forms (available from us) and returning them to us.

68 Payment instructions cannot be changed or cancelled once they have been given to us because we start processing them as soon as we receive them.

69 We may refuse to act on instructions if:
(a) we reasonably believe that they were given by a person who was not entitled to give us instructions;
(b) we reasonably suspect fraudulent activity in relation to the Bond;
(c) the instructions are unclear, incomplete or not in the required form;
(d) in carrying out the instructions, we might thereby act contrary to a law, regulation, code or other duty which applies to us;
(e) it would cause any limit or restriction which applies to a Bond holding to be exceeded;
(f) we have any other valid reason for not acting on the instructions.

70 If we refuse to act on instructions we will notify the Bond holder and, if possible, give our reasons for doing so. Bond holders can obtain information about the refusal and, where appropriate, our reason for refusing, along with information on how to correct any errors that led to the refusal, by contacting us using the details at the end of these terms and conditions (unless we are prevented by legal obligations, or circumstances beyond our control, from providing this information).

Statements and investment records
71 The Bond holder, or the nominated parent or guardian, will receive an anniversary statement showing all transactions since the end of the period covered by the previous anniversary statement or, from the date of purchase if the Bond has been held for less than a year, to the most recent statement date. The statement will include details of all transactions and interest added to the Bond.

72 Bond holders, or the nominated parents or guardians, can request, at any time, an interim statement of all transactions on the Bond. This statement will include all transactions since the last anniversary statement (see paragraph 71) or the date of investment if the Bond is in its first investment year.

73 The Bond holder, or the nominated parent or guardian, will receive an investment record every time a new Bond is purchased on behalf of the Bond holder or a partial encashment is made. The investment record will confirm the details of the transaction that has taken place and, in the case of a partial encashment, the new value of the Bond immediately following that encashment. Bond holders, or the nominated parents or guardians, can request a duplicate investment record at any time.

74 When a Bond is repaid in full the Bond holder, or the nominated parent or guardian, will receive a closing statement. The closing statement will include details of all transactions and interest added to the Bond since the last anniversary statement was issued (or since the date of investment if no anniversary statement has yet been issued in respect of the Bond (see paragraph 71)).

75 The Bond holder, or the nominated parent or guardian, is responsible for checking the information we provide and must tell us as soon as possible if it includes something which appears to be wrong or if a repayment was not made in accordance with the instructions given.

Retention after the fixed rate term
76 If the Bond holder is under the age of 16 at maturity, a Bond may be eligible to earn interest for a further 5-year term. The Treasury will decide whether this will apply and, if so, what the interest rate will be. We will contact the nominated parent or guardian, using the last recorded contact details, at least 30 days before the end of the term to tell them of the Treasury’s decision.

77 The interest rate set by the Treasury for any further term may be different from the interest rate earned previously on the Bond. Typically, the Treasury will decide to set a different interest rate to enable us to respond proportionately to a change, or an anticipated change, in:
(a) gilt prices, the Bank of England’s base rate or any other publicly listed market rate;
(b) the interest rates paid or charged by other banks and financial institutions;
(c) the Government’s funding requirements;
(d) the costs we reasonably incur in providing Bonds;
(e) the law or a decision by an ombudsman;
(f) regulatory requirements; or
(g) any codes of practice to which we subscribe.

78 If a Bond is eligible to earn interest for a further term, and we have not received a request to cash in that Bond before the maturity date, the rate of interest set by the Treasury for the further term will be applied automatically and will be guaranteed for the whole of the further term.
When a Bond begins a further term in accordance with paragraph 76, the terms and conditions applicable to that Bond for that further term shall be those specified on NS&I's website at the point at which that further term begins, for the issue which is current at the time. This may mean that the terms and conditions applicable to the Bond will change. If we notify the nominated parent or guardian that the Treasury has decided that the Bond is eligible to earn interest for a further term, that notice will include a copy of the terms and conditions that will apply for that further term. The nominated parent or guardian should contact NS&I if they do not receive notice of the options when the Bond is due to mature.

The Bond holder, or nominated parent or guardian, will remain free to cash in the Bond at any time, including for investment into another issue or another NS&I product, under the normal rules for cashing in as set out in paragraphs 45 to 52 inclusive.

**Telephone and internet service**

We offer the opportunity for a parent or guardian (see paragraph 3(i)) to purchase and manage a Bond via the telephone and/or internet. The Service is offered to a nominated parent or guardian, or Bond holders (when they reach 16 years of age) and, where a Bond holder lacks capacity or has created a lasting power of attorney, a limited Service is offered to those entitled to manage their Bond (each a “prospective user”). To use the Service to both purchase and manage a Bond, a prospective user will need to register either by telephone or via the internet as part of an application to purchase. If a prospective user wants to register to use the Service to manage a Bond that has already been purchased, they can register either by telephone or via the internet. We may need to ask you to return documents by post to complete your registration. Deputies and attorneys, can only register to use the limited Service by completing the registration form (available on request from NS&I) and returning it to us by post.

If a prospective user registers via the internet, they will be asked to supply security information and choose a password. If they are an existing customer who has already registered to use the Service, they must use their existing security information and password to purchase and manage the relevant Bond (see also paragraph 85).

If a prospective user registers by telephone, they will be asked to supply security information. After registration, we will send a temporary password to the registered user. Before the registered user can manage the Bond using the Service, they will need to change the temporary password to one of their own choosing. This temporary password will expire after 60 days so the registered user will need to change it before then. If they do not change their temporary password before it expires we will issue them with a new password when they next contact us. The new temporary password must be changed within 60 days.

We will use the password and security information to verify the identity of the person seeking access to the Service. If for any reason a registered user wishes to change their security information or password they can do so via the internet, or by calling us. We may ask for any change to be confirmed in writing.

Registered users must take reasonable precautions to prevent unauthorised use of the Service. They should not disclose any information which will give access to the Service to anyone other than us. They should not record their password or security information in any way that may result in them becoming known to another person.

Please note that after initial registration we will never contact registered users, or ask anyone to do so on our behalf, with a request to disclose security information in full. If a registered user receives any such request from anyone (even if they are using our name and logo and appear to be genuine) then it is likely to be fraudulent and security information should not be supplied under any circumstances. Registered users should report any such request to us immediately.

The registered user will be responsible for any instructions received by us between the time they pass the security procedure until the time that they exit from the Service. Please note that this includes any input errors or instructions sent by someone other than the registered user, so registered users are asked not to leave the device they are using to the Service unattended while logged on.

Please note that we are entitled to repay Bonds where instructions to cash in have been given through the Service, if particulars of the security information were correctly provided.

If a registered user has reason to suspect that their security information and/or password have become known to a third party, they should immediately notify us by telephone. We may ask for this to be confirmed in writing.

While we will make reasonable efforts to provide the Service, we will not be liable for any failure to provide the Service, in part or full, for any cause that is beyond our reasonable control. This includes, in particular, any suspension of the Service resulting from maintenance and upgrades to our systems or the systems of any party used to provide the Service.

We may, where we consider it is appropriate for the protection of Bond holders, suspend, withdraw or restrict the use of the Service in part or all of the Service. We will inform Bond holders, or nominated parents or guardians, as soon as practicable if we take such action. We may also end the Service or any part of the Service at any time by giving registered users reasonable notice.

**Liability**

If a Bond holder, or a nominated parent or guardian, tells us that an application to cash in was not authorised, we will carry out an investigation. As soon as we are reasonably satisfied that the application to cash in was unauthorised, we will subject to paragraph 93, refund the amount repaid and return any relevant Bonds to the position they would have been in if the unauthorised repayment had not taken place. This means that, in addition to the amount of the unauthorised repayment, we will refund any interest on the amount incorrectly paid but we will have no further liability.

However, we will not give a refund if the Bond holder (or nominated parent or guardian) has acted fraudulently.

If a Bond holder (or nominated parent or guardian) asks us to make a repayment by electronic transfer and, after a reasonable period has elapsed, the bank or building society to which repayment should have been made says that it did not receive the repayment, we will, subject to paragraphs 95 and 96, refund the amount of the repayment and return any relevant Bonds to the position they would have been in if the repayment had not been made.

We will not make a refund in relation to paragraph 94 if there was a mistake in any of the details contained in the instructions to cash in. In such circumstances, we will, however, make reasonable efforts to recover the funds for the Bond holder.

We will not make a refund in relation to paragraph 94 if we can show that the repayment was in fact received by the relevant bank/builder's society to which repayment should have been made.

**How we use your information**

We may use any information you give us about yourself and others to:

- manage your account(s) and investments;
- prevent and detect crime and fraud;
- develop and improve our services through assessment and analysis of your information;
- conduct market research and product analysis;
- provide you with marketing material, which may be tailored to your individual needs, when we have your permission to do so;
- carry out regulatory checks to meet our legal obligations;
- create aggregated and anonymised data for internal use (we won’t be able to identify individuals from this data);
- receive regular feeds from credit agencies relating to information they have gained or assumed about you and your lifestyle.

We treat all information we hold about you as private and confidential. We will not reveal any personal details or details concerning your investments to anyone not connected with NS&I, unless:

- (a) you have given your permission to do so;
- (b) we are required or permitted to do so by law;
- (c) it is required by credit reference and fraud prevention agencies to verify your address, identity or source of funds;
- (d) it is required by our service providers and agents (including our subcontractors) to administer your account;
- (e) there is a duty to the public to reveal the information.

If you give us information about another person, you need to confirm that you have been appointed to act on behalf of that other person. This includes providing consent to process that other person’s data as set out in these terms and conditions.

We may monitor or record telephone calls for training, quality assurance and other business purposes.

The NS&I website uses cookies to collect anonymous data in order to administer the website. It is possible to set internet browser software as to disable the use of cookies. Please note however that application forms and other processes require the use of cookies for correct operation.

From time to time we may change the way we use customer information. Where we believe that customers may not reasonably expect such a change we will let you know by your chosen method, for example by post or email. If you do not object to the change within 60 days of us letting you know, we will consider you to have agreed to that change.

Customer information will be held by us in both paper form and on our IT systems and will be kept after Bonds have been repaid in full, in line with our retention procedures. If you resemble a copy of the information we hold about you, you can make a Data Subject Access Request under the Data Protection Act. Please write to:

**Data Protection Officer, National Savings and Investments, 1 Drummond Gate, London SW1V 2QX**

Please send your request and include your full name, address (current and any previous addresses), which accounts or investments you hold and the accounts or customer numbers. There may be a small charge for this service – if so, we will make this clear.

We would like to keep you up to date with information about our products and services which we think might interest you. If you do not want to receive this information you can contact us using the details at the end of these terms and conditions.

**How to notify us of changes to personal details**

So that we can manage and protect the Bonds and communicate with you safely and quickly (for example, if we suspect fraud) please let us know straight away if any of these change:

- your name;
- nationality;
- address (including if you move abroad);
- signature;
- telephone number (including mobile);
- email address.

Any questions?
Complaints

106 If we make a mistake we’ll aim to put things right quickly and without fuss, and we have a procedure designed to resolve complaints effectively and fairly. You can make a complaint, by calling us free on 0800 092 1286, by visiting nsandi.com, or by writing to our Customer Care Team at the address at the end of these terms and conditions. A leaflet describing our complaints procedure is available on request or you can download one at nsandi.com

107 If you feel that we have not resolved your complaint to your satisfaction, you may be able to refer it to the Financial Ombudsman Service, an organisation set up by law to give consumers a free and independent service for resolving disputes. You can call them on 0800 023 4567 (calls to this number are normally free) or 0300 123 9123 (calls to this number are charged at the same rate as 01 or 02 numbers on mobile phone tariffs). You can also visit financial-ombudsman.org.uk or write to them at Exchange Tower, London E14 9SR. Or, if you invested with us online, you can refer your complaint via the Online Dispute Resolution (ODR) website, set up by the European Commission to help consumers resolve disputes with companies within the EU. Visit https://webgate.ec.europa.eu/odr

Changes to the terms and conditions

108 The Director and the Treasury reserve the right to amend these terms and conditions at any time.

109 Typically, changes will be made pursuant to paragraphs 79 and 108:
(a) to make the terms and conditions clearer or more favourable to the Bond holder;
(b) to reflect changes in the Government’s funding requirements;
(c) to reflect changes in the law or a decision by an ombudsman;
(d) to enable us to meet changed regulatory requirements;
(e) to reflect changes in any codes of practice to which we subscribe;
(f) to reflect changes in the general practice of banks and other organisations offering similar products or services; or
(g) to allow for new technology systems, methods of operation, security or facilities.

110 If a change is to the Bond holder’s detriment we will let them, or the nominated parent or guardian, know personally at least 30 days before the change. If this is the case they can switch to another NS&I product or cash in the Bond without notice or penalty within 60 days of us telling them.

111 For any other changes we will let the Bond holder, or the nominated parents or guardians, know by updating our website and, if appropriate, publishing a notice in a range of national newspapers.

Regulations

112 The Regulations stated in paragraph 2 can be accessed at www.legislation.gov.uk, and on our website at nsandi.com

Law and jurisdiction

113 These terms and conditions and any agreement made on the basis of them will be governed by and interpreted in accordance with English law.

114 In the event of the death of a Bond holder, the Director reserves the right to make any payment in respect of the Bond in accordance with the law of the place in which the Bond holder resided, or if different, was domiciled at the date of their death.

115 Subject to paragraphs 116 and 117, the courts of England are to have exclusive jurisdiction to settle any dispute (including claims for set off and counterclaims) which may arise in connection with these terms and conditions or any agreement made on the basis of them and which, subject to the Regulations, falls to be determined by a court of law.

116 Where section 16 of the Civil Jurisdiction and Judgments Act 1982 applies the relevant court of law of the relevant part of the United Kingdom shall have jurisdiction to settle any such dispute.

117 Paragraphs 115 and 116 are included for the benefit of NS&I. Accordingly NS&I retains the right to bring proceedings in any other court which has jurisdiction to whose jurisdiction the Bond holder irrevocably submits.

Children’s Bonds

National Savings and Investments
Glasgow
G58 1SB
Telephone 08085 007 007
Visit our website nsandi.com
1 December 2016
PLEASE KEEP FOR REFERENCE

Always here to help you

Find us online

nsandi.com

Call us

08085 007 007

You can call us any time.
We’re here in the UK all day, every day. Calls from the UK are free.
We may record your call to help us give you the best service.

Write to us

NS&I, Glasgow G58 1SB

Tweet us

@nsandihelp

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