Nice little earner

With monthly returns, you don’t need to wait to get your hands on some extra income
Wouldn’t it be nice to have a little extra money coming in each month?

An additional monthly income can help ease the burden of regular outgoings like bills, and help pay for occasional treats like holidays or an evening out.

When you invest in Income Bonds you receive the interest as a monthly income.

The headlines

- **A monthly income**
  We pay interest on your account every month at a variable rate.

- **Invest from £500 up to £1 million**
  Each deposit must be at least £500.

- **Easy access to your money**
  There is no notice period or penalty if you want to cash in your Bonds.

- **Easy to manage your account**
  You can manage your account online and by phone, as well as by post.

- **100% security for your money**
  NS&I is backed by HM Treasury so all the money you invest with us will be 100% secure.
Income Bonds explained

Investing in Income Bonds is very straightforward.

The interest your money earns is paid to you every month.

How much you receive depends on how much you have invested, and the current interest rate.

## How much can I invest?

- **Minimum:** £500
- **Maximum:** £1 million
- And the maximum investment is per person.

## What about interest?

- You will earn a variable interest rate, with no risk to your capital.
- The rate might go down, meaning you would earn less interest.
- The rate could also go up which means you would earn even more interest on your savings.
- Find out more about we calculate interest on page 4.

## What about tax?

- Interest is taxable, paid gross.
- Taxpayers may need to declare the interest to HM Revenue and Customs (HMRC), depending on their circumstances.
- We’ll send you a statement before the end of April each year, showing how much interest you’ve received.

## Who can invest?

- Anyone aged 16 or over can apply to invest in Income Bonds.

## Can I invest jointly?

- You can invest jointly with one other person.
- You can combine your full allowance with the other investor. This means that you can jointly invest up to £2 million.
- We’ll send any correspondence to the first investor named on your application.

## Can I invest in trust?

- Yes. This means holding an investment in your name but on behalf of someone else (called the ‘beneficiary’).
- You’ll need a different form to invest in trust. Call us on 08085 007 007 and we’ll send you one.
## Calculating your interest

### Interest rate
We pay the same rate of interest to all our Income Bonds investors, no matter how much you have invested with us.

We calculate your interest daily, based on the balance in your account at the end of each day.

### Check the latest rate
Visit our website [nsandi.com](http://nsandi.com) or call us 08085 007 007

### When do I start earning interest?
Your Bonds earn interest from the day we receive your application and payment, as long as your application is successful.

If we receive your application shortly before an interest payment date, we may not be able to make the first payment on that date. Instead we will pay all the interest owed to you on the next payment date.

### How we pay your interest
We’ll pay your income directly into your nominated bank account on the 5th of each month, or the next working day if the 5th falls on a weekend or bank holiday.

All you have to do is give us your bank account details when you apply.

### Personal Savings Allowance
On 6 April 2016 HMRC introduced a new tax-free Personal Savings Allowance of £1,000 on the interest you earn on your savings (or £500 for higher rate taxpayers).

Find out more at [nsandi.com/tax-and-savings](http://nsandi.com/tax-and-savings)

The interest you earn on your Income Bonds counts towards your Personal Savings Allowance, together with any interest you earn from other taxable savings.
Managing your Bonds

You can apply for and look after your Income Bonds online and by phone.

When you register for our online and phone service you’ll be able to log in or call us to buy, keep track of and cash in your Bonds, review your transactions and update your personal details.

You can also manage your account by post, if you’re happy for your transactions to take a little longer.

Online and by phone

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

- Buy, keep track of and cash in your Bonds.
- Keep details like your address, email and nominated bank account up to date.
- Go paperless.

Please remember, if you don’t register you won’t be able to access your money by calling us or visiting our website.

And you can still deal with us by post even if you register. It’s your choice. Find out more on page 6.

Managing Bonds for someone else?
Sorry, not all these services are available if you’re managing Income Bonds for anyone else under a power of attorney or as a deputy.

How to register
If you apply for Income Bonds online or by phone we’ll register you automatically. Or visit our website 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 also give you a unique NS&I number.

Already registered?
There’s no need to re-register for our online and phone service if you’re already registered with NS&I for another account such as our Direct Saver or Premium Bonds.

Simply use your existing NS&I number and password to manage your Income Bonds straight away.

Paying money in
Once your account is open and you are registered, you can make further deposits at any time on our website nsandi.com or by calling us. Each deposit must be at least £500.

Taking money out
Again you can do this at any time on our website nsandi.com or by calling us. The minimum that you can cash in is £500, and at least £500 must remain in your account to keep it open.

Keeping you up to date
Whenever you pay money in or take it out, we’ll send you a secure message to confirm your transaction.

We’ll also send you an electronic statement in April each year, so that you’ll have all your transactions for the year presented together in one document.

Or you can receive these documents by post if you prefer. Just let us know when you apply. You can also change your preferences any time on our website nsandi.com or by calling us.
What if I live outside the UK?

Check the rules where you live
First you should check whether local regulations allow you to buy and hold Income Bonds, as some countries don’t allow this.

Applying from abroad
The first time you apply will have to be by post, as you’ll need to send us some documents to prove your identity and address. We’ll also need your Tax Identification Number and date and place of birth if you are resident for tax purposes outside the UK.

Find out more before you apply
Visit our website
nsandi.com

or call us
+44 1253 832007

Charges will be at the rate of your international phone provider.

Note that we no longer accept applications from US citizens and/ or US residents for tax purposes.

After you apply
Once you’ve done all this successfully, then the easiest way for you to manage your Bonds is to register for our online and phone service.

Where can I have my interest paid?
You can have your interest paid to your international bank account. Find out more about our International Payments Service at: nsandi.com/ips

Prefer to use the post?
You can write to us at any time to give us instructions about your 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.

Paying money in by post
Once your Income Bonds account is open, you can make further deposits at any time by posting us a cheque with a completed deposit form. Each deposit must be at least £500.

Taking money out by post
Complete a cashing in form and post it to us, then we’ll pay the money directly to your nominated bank account (but remember you will get your money faster if you instruct us online or by phone). The minimum that you can cash in is £500, and at least £500 must remain in your account to keep it open.

We’ll send you a deposit form and a cashing in form after you’ve made your first investment. You can also download and print these forms from our website nsandi.com or call us and we’ll post them to you.
Decisions, decisions

The information below will help you decide if Income Bonds are the right investment for you.

**Right for you if:**
- You want a monthly income at a variable rate
- You want easy access to your money
- You have £500 or more to invest
- You want 100% security for your money

**Not for you if:**
- You are looking for guaranteed returns
- You want your interest to build up so your investment grows in value
Ready to apply?

Before you apply please read the summary box and the terms and conditions.

Apply online

nsandi.com

Visit our website when you’re ready to apply – it’s quick, easy and secure.

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

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.

Please have ready:

- A debit card in your own name and issued by a UK bank.
- Your Income Bonds account number if you already hold Bonds.
- 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. This can take a while if we need more information from you.

But don’t worry, if everything goes through smoothly the date of opening your account will be the date we received your application.

Here’s what happens next when you apply online or by phone:

1. We’ll check your 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 an email to confirm your investment, or a letter if you’ve chosen not to go paperless.

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 confirmation by email or letter.
### Apply by post

**Here’s how:**
- Download an application form at [nsandi.com/income-bonds-form](http://nsandi.com/income-bonds-form)
- Complete the form in full.
- Make sure you have signed and dated it.
- Post your completed form and a cheque to us in an envelope addressed to: **FREEPOST NS&I SALES**

**Paying by cheque**
- Make your cheque payable to: **National Savings and Investments**.
- The cheque must be drawn on a UK bank or building society account in the applicant’s name.
- Fill in the cheque details in the ‘Paying by cheque’ section of the form.

We will bank your cheque as soon as we receive it, so please make sure you have enough money in your account when you apply to invest.

For your security, we don’t accept debit card details by post.

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**Already have some Income Bonds?**
If you want to add to an existing Income Bonds account, you just need to complete a simpler Income Bonds deposit form.

If you haven’t got one, you can download and print it.

- Download a deposit form [nsandi.com/income-bonds-deposit-form](http://nsandi.com/income-bonds-deposit-form)

Or call us and we’ll send you one.

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**Applying for someone else?**
If you want to apply in trust, or on behalf of someone else as a deputy or under a power of attorney, you’ll need to apply by post using a different form.

- Download a power of attorney application form [nsandi.com/income-bonds-poa](http://nsandi.com/income-bonds-poa)

If you want to invest in trust, call us and we’ll send you a trustee application form.
Terms and conditions: 13 January 2018

1. This agreement applies to National Savings and Investments Income 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 (No.2) Regulations 2015 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) “banking day” means a day (other than a Saturday, Sunday or bank or public 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;
   (b) “Bond” means an NS&I Income Bond;
   (c) “Bond holder” means a person in whose name a Bond is registered on the National Savings Stock Register;
   (d) “Director” means the Director of Savings;
   (e) “nominated account” has the meaning given in paragraph 55;
   (f) “NS&I” means National Savings and Investments;
   (g) “prospective user” means a person described in paragraph 80 who is entitled to become registered as a “registered user”;
   (h) “registered user” means a person who has registered to use the Service;
   (i) “Service” means the telephone and internet services provided by NS&I for the purposes of purchasing and managing Bonds as described in paragraph 80.

4. NS&I is both a government department and an executive agency of the Chancellor of the Exchequer. We provide finance for the government by offering savings accounts to personal customers. We act under the authority of the Director of Savings – a role created by law to carry out our business. Where we say ‘we’, ‘us’ or ‘our’, we mean NS&I acting under the Director’s authority.

Interest

5. All deposits accepted (see paragraph 27) will earn interest at a variable rate. The rate applicable to a particular Bond at any time may depend on the balance of that Bond. Both the rates, and the balances required to earn them, if applicable, may be changed from time to time in accordance with this section.

6. The current rate(s) and the balances required to earn them, if applicable, are available:
   • on the NS&I website;
   • in our Interest Rates leaflet available from us;
   • in the London, Edinburgh and Belfast Gazettes; and
   • directly from us over the phone.

7. The Treasury may choose to change the interest rate(s) which apply to your Bond from time to time for various reasons, including:
   (a) to enable us to respond proportionately to a change in the Bank of England’s base rate or any other publicly listed market rate;
   (b) to enable us to respond proportionately to changes in the interest rates paid or charged by other banks and financial institutions;
   (c) to reflect changes in the Government’s funding requirements;
   (d) to reflect changes in the costs we reasonably incur in providing your Bond;
   (e) to reflect changes in the law or a decision by an ombudsman;
   (f) to enable us to meet changed regulatory requirements; or
   (g) to reflect changes in any codes of practice to which we subscribe.

8. We will give notice of any changes in the applicable interest rate(s) on your Account and/or the balances required to earn them in accordance with this paragraph. We will give advance notice of the change(s) by publishing adverts in a range of newspapers and by updating our website before the change is applied to your Account. If the change is in your favour, we will not notify you personally. However, if the change is detrimental to you, we will tell you personally at least two months before it takes effect and you can close your Account at any time without charge before it comes into effect if you do not agree with it. If you do not notify us before the detrimental change comes into effect, we will consider that you have accepted it.
9. Interest is paid monthly in arrears and is earned on a daily basis on the closing balance for each day. The closing balance on any particular day will include all deposits dated that day (see paragraphs 28, 45 and 48) less any withdrawals dated for that day (see paragraphs 56 and 58). Interest is earned at 1/365th of the annual interest rate for each day. This includes the day on which the Bond is purchased (see paragraph 28) but not the day the Bond is cashed in.

10. Subject to paragraph 12, interest is paid by electronic transfer to the Bond holder’s nominated account on the 5th day of each month ("an interest payment date"). If that day falls on a day which is not a banking day, your nominated account may not be credited with interest until the next banking day. The nominated account must be capable of receiving payments by this method.

11. If we receive an application to invest on or after the 20th of any month, it may not be possible to make the first interest payment on the 5th day of the following month. In this case we will pay all the interest your holding has earned from the date of investment (see paragraph 28) on the next interest payment date.

12. The Treasury may from time to time change the intervals at which interest is paid, and the day of the month on which it is paid (see paragraph 10), upon giving notice in the London, Edinburgh and Belfast Gazettes, or in any other manner which they think appropriate. In doing this, the Treasury may specify balances above or below which any change will apply.

Tax

13. Interest will be paid without deduction of tax. However it is subject to UK Income Tax so Bond holders may need to declare their interest to HM Revenue & Customs, depending on their circumstances.

Who may, and may not, purchase and hold Bonds

14. Bonds may be purchased in accordance with paragraphs 15 to 18, and held in accordance with paragraphs 15 to 20, unless a limitation applies (see paragraph 21).

15. Individuals Individuals of at least 16 years of age may, for their own benefit, purchase and hold Bonds:
(a) in their own name; or
(b) jointly with one other individual.

16. Attorneys An individual of at least 16 years of age may also purchase Bonds in the name of another such individual where acting under a valid power of attorney.

17. Trustees A person who holds money in trust for one or more individuals (whether they are an individual or a corporate trustee) may purchase and hold Bonds in their capacity as a trustee either:
(a) by themselves; or
(b) jointly with one or more other trustees.

18. Deputies A person who is legally entitled to make investments on behalf of a person of at least 16 years of age who lacks capacity may purchase Bonds on behalf of, and in the name of, that individual.

19. Children Children under the age of 16 who held a Bond up to and including 5 April 2013 may continue to hold and make subsequent deposits to the Bond.

20. Others A body, whether it is incorporated or is unincorporated, that held a Bond up to and including 1 January 1990 may continue to hold and make subsequent deposits to the Bond.

21. General limitations Bonds cannot be purchased by:
(a) a person who is either a US citizen and/or a US resident for tax purposes;
(b) a person who is an undischarged bankrupt;
(c) a person who is 16 years of age or older and operates under a legal disability; or
(d) one person on behalf of another, unless the application is made in accordance with paragraphs 15(b), 16 and 18.

How to purchase Bonds

22. Subject to paragraph 23, an application to purchase Bonds can be made:
(a) via the internet;
(b) by telephone; or
(c) by post to NS&I.

23. Only applications to purchase made by individuals on their own behalf can be made via the internet and by telephone. Applications made by trustees can only be made by post. Attorneys and deputies buying on behalf of a Bond holder for the first time can only apply by post. Once the power is registered with us, they can apply online, by phone or by post.

24. Where an applicant applies by telephone or via the internet, the Bonds must be purchased using a debit card in the name of the proposed Bond holder (or in the name of joint applicants, in the name of either or both of the proposed Bond holders) issued by a UK bank or building society.
25. Where an applicant makes an application via the internet or by telephone, we may ask the applicant (or in the case of joint applicants, both of those applicants) to provide their signature(s). If so, we will write to the applicant(s), specifying the time by which we need to receive their signature(s). If we do not receive the signature(s) 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 a different method of payment if necessary. No interest will be earned or paid for the intervening period.

26. 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 proposed Bond holder, or applicant (or in the case of joint proposed Bond holders or applicants, in the name of any one or more of them), where different, or by a building society branch cheque or banker’s draft.

27. In all cases, an application to purchase is subject to acceptance by us.

28. 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.

29. Once an application has been accepted, the Bond holder will receive a confirmation showing the amount and date of purchase. The date of purchase will be the date on which the Bond holder’s agreement with us begins, and it will continue until it is terminated by the Bond holder or us in accordance with these terms and conditions.

Evidence of identity

30. 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 with us, you confirm that you, and anyone else named on the application, are aware that your and their identity and address will be checked.

31. When applying to invest or at any time, we may also request documentary evidence of 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 the 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.

32. Where we can’t accept your application in these circumstances (paragraphs 30 and 31), 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.

Cooling off

33. If an applicant is not happy with their purchase of a Bond, they have 14 days from the date the confirmation of purchase was received within which to cancel the Bond. To cancel the Bond the applicant must notify us in writing (by post or by email) or by telephone, using the details in paragraph 121.

34. If an applicant cancels their Bond, we will return all of the money and any interest it has earned. If an applicant does not cancel their Bond, these terms and conditions will apply until the Bond is repaid.

Purchase and holding limits

35. The minimum value Bond that may be purchased is £500.

36. An applicant may not apply to purchase a Bond if immediately after that purchase the Bond holder would hold more than £1,000,000 in Bonds.

37. Where a Bond is held jointly, each Bond holder will be treated as holding an equal share of that Bond. For example, if two Bond holders hold a £1,500,000 Bond, they will each be treated as holding £750,000. This will mean that each can purchase up to another £250,000 of Bonds. This paragraph does not apply to applications made by a person applying to purchase as a trustee (see paragraph 17), nor do any Bonds held by a person as a trustee count towards their holding for the purpose of this paragraph.

38. An applicant who is acting as a trustee may not apply to purchase a Bond if immediately after that purchase they would hold more than £1,000,000 of Bonds under that trust.

39. Where a Bond is held by trustees jointly, each will be treated as holding the full value of that Bond. For example, if two trustees hold £1,000,000 of Bonds jointly, they will each be treated as holding the full £1,000,000. This will mean that neither of those trustees will be permitted to purchase further Bonds under that trust.
40. If a person inherits a Bond and an application is made to transfer that Bond into that person’s name, that application will not be considered to be an application to purchase and will not be subject to the holding limits in paragraphs 36 and 37. However, the inherited Bond will count towards that person’s holding for the purposes of determining whether that person can purchase further Bonds or make further deposits into any existing Bonds. For example, if a person has £750,000 of Bonds, and inherits a further £300,000 of Bonds, that person will be able to hold the £300,000 of inherited Bonds, but will not then be able to purchase further Bonds or make further deposits into any existing Bonds that they hold.

Deposits into your Bond – limits

Minimum deposit
41. The minimum amount that may be deposited at any one time is £500.
42. Subject to the maximum investment limits (see paragraphs 36 and 37), and any limitations imposed by your or our banking service provider, a deposit may be made for any amount equal to or more than the minimum.

Maximum deposit
43. Once a maximum investment limit (see paragraphs 36 and 37) has been reached, no further deposits will be permitted. However, it will remain possible to receive the value of a Bond of another Bond holder who has died.

Deposits into your Bond – procedure
44. All deposits into the Bond must be in £ sterling, drawn on a bank or building society in the UK.

Deposits by post
45. You may deposit cheques, bankers’ drafts and postal orders by post. You will need to send the payment, together with the deposit form, available from us and online at nsandi.com, by post to us. For interest purposes the date of deposit will be the date your payment and form are received by us.
46. Deposits sent to us by post will not be accepted without a completed deposit form. Cheques, bankers’ draft and postal orders received without a fully completed deposit form will not be credited to your Bond, and will be returned to you where possible.
47. The amount of any cheque deposit will be available for withdrawal from the seventh banking day. For example if we receive your cheque and deposit form on a Monday, your payment will be cleared on the Tuesday of the following week. Allow one additional day for each English bank or public holiday. Clearance times on other types of deposits may vary.

Deposits using your debit card – by telephone and internet
48. For interest purposes, the date of deposit will be the date on which we receive authorisation of your debit card payment from the card issuer. The amount of the deposit will be available for withdrawal from the seventh banking day. For example, if we receive your debit card authorisation on a Monday, your payment will be cleared on the Tuesday of the following week. Allow one additional day for each English bank or public holiday.

Cashing in
49. A Bond holder can instruct us that they wish to cash in their Bonds at any time in the following ways:
   • using the internet;
   • by telephone; and
   • by post.

   When a Bond holder confirms their instructions we will treat this as the Bond holder giving us their consent to cash in the Bonds. We cannot change or cancel an instruction given by a Bond holder because we start processing it when we receive it.

50. Where a Bond holder’s instruction to cash in their Bonds is made:
   • using the internet or by telephone, we will send the money by electronic transfer to the Bond holder’s nominated account (see paragraph 55);
   • by post, we will normally send the money by electronic transfer to the Bond holder’s nominated account. However in certain circumstances we may accept requests for repayment to be made by crossed warrant (see paragraphs 58 and 59).

51. 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 encashed before the payment has cleared (see paragraph 48). If we allow this, we will repay the sum requested to the debit card from which the payment was made. The payment will normally reach the account related to the debit card by the third banking day after the day on which we initiate the electronic transfer.

52. Partial encashments Bond holders may cash in part of a Bond and the provisions of paragraphs 49 and 50 in relation to the same.

53. Where a Bond holder is requesting a partial encashment, the minimum amount that can be cashed in is £500 and at least £500 must remain invested in the Bond.
54. In order to ensure prompt payment of monthly interest, we start to process interest payments a few days before the interest payment date, proceeding on the basis that the Bond holder will continue to hold the full value of the Bond for the remainder of the month. This means that if the Bond holder requests a partial repayment after we have started to process their monthly interest payment, but before the interest payment date, the Bond holder may receive an overpayment of interest. Where this occurs, we will deduct the overpayment from the amount of interest received in the following month.

Repayments by crossed warrant

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

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

Children

60. Children, who as of 5 April 2013 were under the age of 16, may continue to hold and make subsequent deposits to an existing Bond which was purchased on or before 5 April 2013.

61. Interest on a Bond held in the name of a child under 16 years of age, or by two such children jointly, will be paid into a personal UK bank account or building society account (or an NS&I Direct Saver or Investment Account) in the name of the child(ren). To make the interest payment, we need to have the sort code and account number of that account.

62. We will repay a Bond held in the name of a child(ren) under 16 years of age to any person (on their instructions) who satisfies us that he or she is a proper person to receive payment. Normally that is the person with legal parental responsibility for the child(ren).

63. Once a child has reached the age of 16 years, repayment will normally only be made to the child, on his or her instructions.

64. Where a Bond was opened for a child on or before 5 April 2013, and the child is at least 7 years of age on 5 April 2013, paragraph 62 will not apply and the child will continue to manage the Bond as if they were 16 years of age. Although not required to do so, a child holding such a Bond will be permitted to request that payment be made to a person responsible for their welfare.

Transfers

65. A Bond, or part of a Bond, can only be transferred with the consent of the Director. The Director will only give consent in exceptional circumstances. Generally, the Director will give consent in the case of the inheritance of Bonds on the death of a Bond holder, but not to any transfer which is by way of a sale.
Closure of your Account

66. We can repay Bonds and close your Account immediately if:
(a) we reasonably think any of the persons named in the application to purchase 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 paragraphs 36 and 38);
(e) the Bond holder fails to comply, in a material manner, with the terms and conditions for holding the Bond;
(f) we have any other valid reason to do so.

67. We can also close the Account at any time by giving the Bond holder at least two months’ advance personal notice.

68. The Bond holder can close their account at any time, for any reason, without charge by notifying us in writing or, if registered for our telephone and internet service, by telephone.

Giving us instructions

69. Instructions relating to the Bond can be given:
(a) via the internet (where a holder is registered for the Service);
(b) by telephone (where a holder is registered for the Service);
(c) by post by completing the relevant forms (available from us) and returning them to us.

70. We may refuse to act on instructions (including an instruction to cash in the Bond) 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 be required to 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; or
(f) we have any other valid reason for not acting on the instructions.

71. If we refuse to act on instructions, we will let the Bond holder know and, if possible, give our reasons by telephone (except where we are prevented from providing a notification for legal reasons). Bond holders can obtain further information about the refusal and, where appropriate, our reason(s) for refusing, along with information on how to correct any errors that led to the refusal, by contacting us using the details in paragraph 121 (unless we are prevented by legal obligations, or certain other limited circumstances beyond our control, from providing this information).

Joint investments

72. For all Bonds that are held jointly:
(a) The Bond is the joint property of all joint Bond holders.
(b) In the event of the death of one of the joint Bond holders, full ownership will pass to the survivor(s) who will be entitled to manage the Bond on the same terms.
(c) All correspondence including statements and transaction records (see paragraphs 75 to 79) will be sent to the Bond holder named first on the application to purchase the Bond.
(d) Upon application of all of the surviving Bond holders, we may remove the name of any person from the title of the Bond.

For Bonds purchased up to and including 5 April 2013, this paragraph does not apply unless the Bond holders have agreed to operate their Bond independently. If joint Bond holders wish to do this, they should contact us for more information.
74. Where Bonds have been purchased jointly by Bond holders who are acting as trustees, we will only accept instructions sent to us by post and which have been signed by all Bond holders.

**Statements and transaction records**

75. We will send you a statement annually showing all transactions for the previous year. The statement will include details of all transactions and monthly interest payments since the last annual statement or the date of investment if the Bond has been held for less than a year.

76. You can request, at any time, an interim statement of all transactions on your Bond. This statement will include all transactions since the last annual statement (see paragraph 75) or the date of investment if the Bond has been held for less than a year.

77. The Bond holder will receive a transaction record every time they make a deposit in accordance with the section ‘Deposits into your Bond – procedure’ or a withdrawal. The transaction record will confirm the details of the transaction that has taken place and the value of the Bond immediately following that transaction.

78. When a Bond is repaid in full the Bond holder will receive a closing statement. The closing statement will include details of all transactions and interest paid since the last annual statement was issued (or since the date of investment if no annual statement has yet been issued in respect of the Bond (see paragraph 75)).

79. The Bond holder is responsible for checking the information we provide and must tell us without undue delay if it includes something which appears to be wrong or if a repayment was not made in accordance with the instructions given.

**Telephone and internet service**

80. We offer the opportunity to purchase and manage Bonds via the telephone and/or internet, and to opt to receive paperless documents. The Service is offered to all Bond holders and, where a Bond holder lacks capacity or has created a valid 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 can register either by telephone or via the internet as part of their application to purchase. We may need to ask you to return documents by post in order to complete the registration. Deputies and attorneys can only register to use the limited Service by completing the registration form (available on request from us) and returning it to us by post.

81. 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.

82. 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 their 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.

83. 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.

84. Registered users must:

- take all reasonable precautions to keep safe their password and security information and prevent unauthorised use of the Service;
- not disclose any information (including their password and security information) which will give access to the Service to anyone other than us;
- not leave the device they are using to access the Service unattended whilst logged on; and
- not record their password or security information in any way that may result in them becoming known to another person.

85. Nothing in this section (including paragraph 84) will prevent a registered user from using an account information service provider (or disclosing information to an account information service provider where it needs that information to provide its service). We may deny an account information service provider access to the Bonds where we have reasonable concerns that there may be unauthorised or fraudulent access to the Bonds. We will let the registered user know by telephone before we deny access (or, if not possible, immediately afterwards) and give them our reasons (except where notifying them would be unlawful or would compromise our security). We will restore the account information service provider’s access to the Bonds once the reasons for the denial no longer exist.
86. 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.

87. 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.

88. 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.

89. If the registered user has reason to suspect that their security information and/or password for the Service have been lost, stolen or used by someone else without their permission, the registered user should tell us without undue delay by calling us on 08085 007 007. We may ask for this to be confirmed in writing.

90. 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 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.

91. We may stop, suspend or restrict the registered user’s ability to cash in the Bonds through the Service using their password and/or security information if we reasonably consider it necessary:

- for security reasons; or
- because we suspect that someone is using the registered user’s password and/or security information without their permission or fraudulently.

92. We will always try to let the registered user know by telephone before we stop, suspend or restrict the ability to/cash in the Bonds through the Service using their password and/or security information and our reasons for doing so. Where we are not able to let the registered user know before, we will let them know immediately afterwards. However, we will not let the registered user know where we are prevented by legal reasons from doing so, or if telling them would compromise our security measures.

93. We will lift any stop, suspension or restriction on the registered user’s ability to cash in the Bonds through the Service using their password and/or security information as soon as we can after the reasons for the stop, suspension or restriction no longer exist. The registered user can call us on 08085 007 007 to ask us to lift any stop, suspension or restriction.

Liability

94. If the Bond holder believes there has been a payment from the Bond which was not authorised by them, or they believe a withdrawal payment they have instructed us to make has not been made properly, the Bond holder should notify us without undue delay using the contact details in paragraph 121.

Unauthorised transactions

95. Except as set out in paragraphs 96 and 97 below, when a Bond holder tells us that a payment from their Bond was not authorised by the Bond holder in the way set out in paragraph 49, we will:

- refund the amount of the unauthorised payment to the Bond holder as soon as practicable (and in any event no later than the end of the banking day following the day on which the Bond holder tells us about the unauthorised payment); and
- where applicable, restore the Bond to the state it would have been in had the unauthorised payment not taken place (including paying any interest the Bond holder has missed out on).

We will not have any further liability to the Bond holder.

96. If we have reasonable grounds to suspect fraudulent behaviour by the Bond holder in relation to an unauthorised payment, we will investigate this before we provide the Bond holder with a refund under paragraph 95. If, following our investigation, we are satisfied that there has been no fraud we will refund the Bond holder the amount of the unauthorised payment. We will not provide the Bond holder with a refund where we find that they have acted fraudulently.

97. We will not provide the Bond holder with a refund or otherwise be liable to the Bond holder for any losses the Bond holder incurs in respect of unauthorised payments which arise from the use of lost or stolen password and/or security information that the Bond holder uses to access the Service:

- where the Bond holder has acted fraudulently;
- where the Bond holder has intentionally or with gross negligence failed to:
  i. comply with paragraph 84 above;
  ii. tell us without undue delay on becoming aware of the loss, theft or unauthorised use of their password and/or security information as required by paragraph 89 above.

98. The Bond holder will not be liable for any losses they incur in respect of unauthorised payments which arise...
from the use of lost or stolen password and/or security information that the Bond holder uses to access the Service (except where they have acted fraudulently):

- arising after they have told us of the loss, theft or unauthorised use of their password and/or security information;
- where we fail to provide them with the means to notify us of the loss, theft or unauthorised use of their password and/or security information.

**Transactions made incorrectly**

99. Where a Bond holder instructs us to make a withdrawal payment and we don’t do so, or we make it incorrectly, we will without undue delay refund to the Bond holder the amount of the withdrawal payment (if the payment has been debited from the Bond) and any charges the Bond holder has paid and pay to the Bond holder any interest they would have earned so that it is as if the withdrawal payment had not taken place (except where the Bond holder has provided us with the wrong sort code and account number for their nominated account, or we can show that the funds were received into the nominated account).

100. Where we fail to credit funds that we receive for the Bond holder to the Bond in accordance with the ‘Deposits into your Bond – procedure’ section above, we will immediately credit the corresponding amount to the Bond (so that it is as if the Bond holder received the funds when they should have done) and immediately make available the relevant amount to the Bond holder.

101. Where a withdrawal payment the Bond holder has instructed us to make has been made incorrectly, we will, if the Bond holder asks us to, immediately, and without charge to the Bond holder, make efforts to trace the incorrectly made withdrawal payment and tell the Bond holder the outcome.

102. Where we make a withdrawal payment using the sort code and account number the Bond holder provided for the nominated account, and the sort code and/or account number is incorrect, we will not have any liability for the withdrawal payment not being made or being made incorrectly. We will however make reasonable efforts to recover the funds involved in the withdrawal payment made incorrectly. If we are unable to recover the funds, we will, on receiving a written request from the Bond holder, provide them with all of the available relevant information we have so they can file a legal claim for repayment of the funds (except where it would be unlawful for us to provide this information).

103. Where funds are paid into the Bond by mistake, we can take them back and return them to the payer. The Bond holder agrees to notify us if they receive any funds into the Bond by mistake. If we are unable to recover the funds from the Bond holder, we may be required to provide the payer with all relevant information to assist them in collecting the funds from the Bond holder (and such information may include personal information).

**Fraud and security threats**

104. We will contact the Bond holder by telephone or by post if there are suspected or actual fraud or security threats related to the Bond.

**How we use your information**

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

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

106. We treat all the 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 to 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 agent (including their subcontractors) to administer your account;
(e) there is a duty to the public to reveal the information.

107. When 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.

108. We may monitor or record telephone calls for training, quality assurance and other business purposes.
109. The NS&I website and emails use cookies to collect anonymous data in order to administer the website. It is possible to set internet browser software so as to disable the use of cookies. Please note however that application forms and other processes require the use of cookies for correct operation.

110. From time to time we may change the way we use customers’ 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.

111. 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 would like 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:
The Data Protection Officer, National Savings and Investments, 1 Drummond Gate, London SW1V 2QX.
Please sign your request and include your full name, address (current and previous), which accounts you hold and the account numbers. There may be a small charge for this service — if so, we will make this clear.

112. 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 in paragraph 121.

113. We may send your data outside of the European Economic Area. However, we will ensure it is processed and handled in line with the UK Data Protection Act 1998.

How to notify us of changes to personal details

114. So that we can manage and protect your Bond, and communicate with you safely and quickly (for example, if we suspect fraud on your Bond) 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.

Bond holders should also ensure that their nominated account details are kept up to date. If they are registered to use the Service, they should notify us of any such changes by telephone, or update their details via the internet. Otherwise they should write to us at the address in paragraph 121.

Complaints

115. 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 in paragraph 121. A leaflet describing our complaints procedure is available on request or you can download one at nsandi.com

116. 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 from the UK are free). 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 these terms and conditions

117. We may change these terms and conditions at any time. Subject to paragraph 118, where we decide to make a change we will tell the Bond holder personally about the change at least two months before the change takes effect. When we notify the Bond holder of a change, they can cash in the Bond at any time without charge before the change takes effect if they do not agree with it. If the Bond holder does not notify us by then, we will consider that they have accepted the change. This paragraph does not apply to favourable changes to the interest rate(s) applicable to the Bond, which will be made in accordance with paragraph 8.

118. We may make changes to these terms and conditions on less than two months’ notice where we need to do so to comply with applicable law or regulation.

Regulations

119. The Regulations listed in paragraph 2 can be accessed at www.legislation.gov.uk

Language

120. This agreement is concluded in English and our communications with the Bond holder in relation to the Bond will be in English.
Contacting each other

121. Bond holders can contact us by writing to us or calling us using the details below:

NS&I Income Bonds
National Savings and Investments
Glasgow
G58 1SB
Telephone 08085 007 007
Visit our website nsandi.com

122. We will contact Bond holders by writing to them (by email, letter or via our online service) or calling them using the contact details that they give us.

Law and jurisdiction

123. These terms and conditions, any non-contractual obligations arising out of them and any agreement made on the basis of them will be governed by and interpreted in accordance with English law.

124. 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.

125. Subject to paragraphs 126 and 127, 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 (including in relation to any non-contractual obligations) or any agreement made on the basis of them and which, subject to the Regulations, falls to be determined by a court of law.

126. 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.

127. Paragraphs 125 and 126 are included for the benefit of NS&I. Accordingly we retain the right to bring proceedings in any other court which has jurisdiction to whose jurisdiction the Bond holder irrevocably submits.

Obtaining a copy

128. We will provide the Bond holder with a copy of these terms and conditions and any of the information referred to in them at any time during our relationship on request. The Bond holder can also find the terms and conditions on our website nsandi.com
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

Having trouble reading this brochure?
Ask us for a version in:
• Braille
• Audio tape or CD
• Large print

Do you use a Minicom?
Minicom (textphone) users can contact us on 0800 056 0585

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