Nice little earner

With monthly returns, you don’t need to wait to get your hands on some extra income
Find out more about NS&I:  
Visit nsandi.com  
Call us on 08085 007 007
**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.

**The basics**

**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).

You can download a factsheet about it by searching for ‘Personal Savings Allowance’.

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

**Find out more**
If you have any questions about tax on savings and how it affects you, please contact HMRC via their website [gov.uk/hmrc](http://gov.uk/hmrc)

Or call them on [0843 504 7177](tel:08435047177)

To learn more about paying tax on your interest, visit [gov.uk](http://gov.uk) and search ‘tax on savings interest’.
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.

<table>
<thead>
<tr>
<th>Online and by phone</th>
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<tbody>
<tr>
<td><strong>Are you registered?</strong></td>
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<tr>
<td>Register for our online and phone service and you’ll be able to:</td>
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<tr>
<td>• Buy, keep track of and cash in your Bonds.</td>
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<td>• Keep details like your address, email and nominated bank account up to date.</td>
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<td>• Go paperless.</td>
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<tr>
<td>Please remember, if you don’t register you won’t be able to access your money by calling us or visiting our website.</td>
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<tr>
<td>And you can still deal with us by post even if you register. It’s your choice. Find out more on page 6.</td>
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</table>

| **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 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 live in the European Union.

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 buy more 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 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 your Bonds 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
• Complete the form in full.
• Make sure you have signed and dated it.
• Post your completed form and enclose a cheque to us in an envelope addressed to:
National Savings and Investments
Glasgow G58 1SB

Paying by cheque
• Make your cheque payable to:
National Savings and Investments.
• The cheque must be drawn on a UK bank account in the applicant’s name.
• Fill in the cheque details in section 6 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.

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
Or call us and we’ll send you one.

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
If you want to invest in trust, call us and we’ll send you a trustee application form.
Terms and conditions: 1 December 2016

1. This agreement applies to National Savings and Investments (formerly known as National Savings) 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) “BACS” means the Bankers Automated Clearing Service;
   (b) “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;
   (c) “Bond” means an NS&I Income Bond;
   (d) “Bond holder” means a person in whose name a Bond is registered on the National Savings Stock Register;
   (e) “Director” means the Director of Savings;
   (f) “electronic transfer” means payments, or purchases, by BACS or Faster Payments, including under a standing order (unless the context requires otherwise);
   (g) “NS&I” means National Savings and Investments;
   (h) “prospective user” means a person described in paragraph 85 who is entitled to become registered as a “registered user”;
   (i) “registered user” means a person who has registered to use the Service;
   (j) “Service” means the telephone and internet services provided by NS&I for the purposes of purchasing and managing Bonds as described in paragraph 85.

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.

Interest

5. All deposits accepted (see paragraph 28) 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.

6. The current rate(s) and the balance(s) required to earn them, if applicable, and notice of changes will be 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 change the interest rate(s) which apply to your Bond from time to time. This may be for any of the following reasons:
   (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 costs we reasonably incur in providing your Bond;
   (d) to reflect changes in the law or a decision by an ombudsman;
   (e) to enable us to meet changed regulatory requirements;
   (f) to reflect changes in any codes of practice to which we subscribe; or
   (g) for any other reason that the Treasury considers necessary.

8. We will give you a reasonable period of personal notice if the Treasury make a material change to the applicable interest rate(s) which is to your disadvantage. Whether the change is material will be determined by reference to the size of the balance of your Bond and the size of the change to the interest rate(s).

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 29, 46 and 49) less any withdrawals dated for that day (see paragraphs 62 and 64). 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 29) 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.

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 29) 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 values above or below which any change will apply.

13. Interest is paid monthly by electronic transfer to a personal UK bank account (including a National Savings Investment Account or Direct Saver) or building society account in the name of the Bond holder. The Director intends to use BACS for this purpose so the account nominated on the application must be capable of receiving payments by this method. Any applications to invest that do not contain nominated bank account details will be rejected.

14. 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 and Customs, depending on their circumstances.

15. Bonds may be purchased in accordance with paragraphs 16 to 19, and held in accordance with paragraphs 16 to 21, unless a limitation applies (see paragraph 22).

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **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.

22. **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 16(b), 17 and 19.

**How to purchase Bonds**

23. Subject to paragraph 24, an application to purchase Bonds can be made:
   (a) via the internet;
   (b) by telephone; or
   (c) by post to NS&I.

24. 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.

25. 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 case of joint applicants, in the name of either or both of the proposed Bond holders) issued by a UK bank or building society.
26. 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.

27. 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.

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

29. 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.

30. Once an application has been accepted, the Bond holder will receive a confirmation showing the amount and date of purchase.

Evidence of identity

31. 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.

32. 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 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.

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

34. 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, by email, or by telephone, using the details at the end of these terms and conditions.

35. 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

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

37. 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.

38. 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 18), nor do any Bonds held by a person as a trustee count towards their holding for the purpose of this paragraph.

39. 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 under that trust.

40. 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 £1,000,000. This will mean that neither of those trustees will be permitted to purchase further Bonds under that trust.
41. 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 37 and 38. 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
42. The minimum amount that may be deposited at any one time is £500.
43. Subject to the maximum investment limits (see paragraphs 37 and 38), 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
44. Once a maximum investment limit (see paragraphs 37 and 38) 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
45. All deposits into the Bond must be in £ sterling, drawn on a bank in the UK.

Deposits by post
46. 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.
47. 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.

48. 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 holiday. Clearance times on other types of deposits may vary.

Deposits using your debit card – by telephone and internet
49. 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 holiday.

Cashing in
50. Bonds may be cashed in at any time in accordance with paragraphs 51 to 55 inclusive.
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 49). If so allowed, we will repay the sum requested to the debit card from which the payment was made.
52. 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 57).
53. 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 64 and 65).
54. Partial encashments Bond holders may cash in part of a Bond.
55. 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.
56. 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 electronic transfer

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

58. 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).

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

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

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

62. 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.

63. 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; or

(b) any failure or delay in any part of the electronic process which is beyond our direct control (including any failure which occurs because the specified account is incapable of receiving an electronic transfer).

64. 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.

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

Children

66. 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.

67. 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 (including an NS&I Investment Account or Direct Saver) or building society account in the name of the child (or children) or in the name of a person who satisfies us that he or she is a proper person to receive payment. This will normally be the person with legal parental responsibility for the child(ren).

68. 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).

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

70. 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 68 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

71. 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.
Repayment of Bonds by NS&I

72. 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 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 paragraph 37);
   (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.

Giving us instructions

73. Instructions 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.

74. Bond holders cannot change or cancel payment instructions that they have given because we start processing them as soon as we receive them.

75. 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; or
   (f) we have any other valid reason for not acting on the instructions.

76. 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 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).

Joint investments

77. 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 80 to 84) 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.

78. For Bonds purchased jointly by Bond holders who are not acting as trustees:
   (a) Where the Bond holders have registered to use the Service in respect of that Bond, they will each have a separate password and separate security information.
   (b) We will accept instructions, including instructions to cash in the Bond, from either Bond holder acting independently.
   (c) If either joint Bond holder informs us of a dispute between the Bond holders, or requires that instructions should only be accepted with the assent of both Bond holders, neither Bond holder may use the Service (which depends on us being able to accept instructions from either Bond holder). From that point onwards, instructions will need to be given by post and be signed by both Bond holders. We may permit joint Bond holders to use the Service again if satisfied that both Bond holders have authorised us to accept instructions from either one of them, acting independently.

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.
79. 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

80. 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.

81. 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 80) or the date of investment if the Bond has been held for less than a year.

82. The Bond holder will receive a transaction record every time they make a deposit in accordance with paragraph 46 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.

83. 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 80)).

84. The Bond holder 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.

Telephone and internet service

85. 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 NS&I) and returning it to us by post for processing.

86. 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 paragraph 89).

87. If a prospective user registers as part of an application to purchase made 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.

88. 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.

89. 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.

90. 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.

91. 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 access the Service unattended whilst logged on.
92. 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.

93. 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.

94. 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.

95. We may, where we consider it is appropriate for the protection of Bond holders, suspend, withdraw or restrict the use of the Service or any part of the Service. We will inform Bond holders 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**

96. If a Bond holder 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 97, 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 pay any interest on the amount incorrectly paid but we will have no further liability.

97. However, we will not give a refund if the Bond holder has acted fraudulently.

98. If a Bond holder asks us to make a repayment by electronic transfer and, after a reasonable period has elapsed, the bank or building society to which payment should have been made says that it did not receive the payment, we will (subject to paragraphs 99 and 100) refund the amount of the payment and return any relevant Bond to the position it would have been in if the payment had not been made.

99. We will not make a refund pursuant to paragraph 98 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.

100. We will not make a refund pursuant to paragraph 98 if we can show that the repayment was in fact received by the bank or building society to which repayment should have been made.

**How we use your information**

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

(a) manage your account(s) and investments;

(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.

102. 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.

103. 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.

104. We may monitor or record telephone calls for training, quality assurance and other business purposes.
105. 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.

106. 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.

107. 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.

108. 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.

109. 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

110. 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 bank 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 on the internet. Otherwise they should write to us at the address at the end of these terms and conditions.

Complaints

111. 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

112. 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 these terms and conditions

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

114. Typically, changes will be made pursuant to paragraph 113:
(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.

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

116. For any other changes we will let customers know by updating our website and, if appropriate, publish a notice in a range of national newspapers.

Regulations

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

Law and jurisdiction

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

119. 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.

120. Subject to paragraphs 121 and 122, 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.

121. 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.

122. Paragraphs 120 and 121 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 holder irrevocably submits.
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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