

# **We've made some changes**

We're simplifying our range of accounts and investments to make them more consistent and easier to understand.

Read this leaflet to find out how the changes will affect you



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**This document has been downloaded from nsandi.com, and is correct as of April 2017.**

**It's suitable for printing at home, and can be used with screen-reading software.**

**For alternative versions of this brochure, please see page 10.**

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## Why we're changing Index-linked Savings Certificates

NS&I has looked after the nation's savings for over 150 years, and now over 25 million people trust us with their money. As well as offering you a secure home for your savings, we will always aim to deal with you in a straightforward and honest way.

Like any other organisation, we have to move with the times. So we're modernising our systems and encouraging our customers to deal with us directly – online, by phone and by post.

We're also simplifying our range of accounts and investments to make them more consistent and easier to understand. As part of these plans we're making changes to Index-linked Savings Certificates.

There's no need to worry, your money remains 100% secure, backed by HM Treasury. And if you choose to renew your investment, you will continue to earn tax-free, index-linked returns.

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## Why you need to read this leaflet

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You have an Index-linked Savings Certificate that's about to mature. We're making changes to this investment, so if you renew your Certificate for another term it will work differently.

You'll need to understand the new features of the investment before you decide what to do next. So please read this leaflet and visit our website to see the full terms and conditions.

And if you have any questions, we're here to help.

## What's new? The changes at a glance

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### Financial changes

- Penalty and loss of index-linking for cashing in early
- Minimum balance of £100
- Single annual rate of interest for each Issue

### Looking after your investment

- Fewer options when your investment matures
- Annual statements to help you keep track
- New online and phone service

### Rules for investors

- Joint investors can combine their investment allowance
- Minimum age 16 for new and renewed investments

## About NS&I Index-linked Savings Certificates

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Index-linked Savings Certificates are lump sum investments for a set period of time called a 'term'. If you keep your investment for the whole term and don't make any withdrawals, your money will be guaranteed to grow ahead of inflation.

Each year their value moves in line with a measure of inflation called the Retail Prices Index (RPI). If the RPI goes up at the anniversary of your investment (compared to the previous anniversary), so does the value of your Certificate. But if the RPI goes down, the value of your investment is protected and will not go down. To check the RPI, visit the Office for National Statistics website at [ons.gov.uk](https://ons.gov.uk) and search for 'RPI All Items Index'.

As well as index-linking, your investment also earns interest each year at guaranteed rates. This means your money is guaranteed to have more spending power at the end of the investment term.

The returns from Index-linked Savings Certificates are tax-free. This means that you won't have to pay any UK Income Tax or Capital Gains Tax on the index-linking and interest you earn.

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## Check what the changes mean for you

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### **Our commitment to you**

In offering Index-linked Savings Certificates to you, we're making a commitment to pay you guaranteed rates of interest, as well as index-linking to the Retail Prices Index, for the whole of the term you choose to invest in.

### **Your commitment to us**

In return, we ask you to keep your money invested with us for the whole of your chosen term. However, we appreciate this may not always be possible and you may need the money before the end of the term. So with our Index-linked Savings Certificates you can cash in your money early, but there is a penalty and loss of a year's index-linking for doing so.

Our savings and investments are backed by HM Treasury and are 100% secure.

### **Cashing in early – before your Certificate reaches its maturity date**

You'll have to pay a penalty equivalent to 90 days' interest on the amount cashed in. And you'll lose the index-linking on your whole Certificate for that investment year. So before you renew your investment, consider if you may need to cash in early. This may not be the right investment for you if you do.

### **Keeping track of your money**

We'll send you a statement each year to help you see how much index-linking and interest you've earned. Interest will be paid at one flat rate so it's easier to check.

### **Investments held by children**

You now have to be 16 or over to buy or renew Savings Certificates. An existing Certificate held by a child under 16 can continue until the investment is mature.

### **Owning a Certificate in joint names**

You can now combine your full allowance and invest up to £30,000 in each Issue (when on sale) in joint names. (This applies to new investments only.) And, if you both agree, either of you will be able to take money out and close the investment independently.

### **When do the changes start?**

The changes only apply to the Certificate we are writing to you about if you decide to renew it when it matures.

If you have several Certificates bought at different times, the maturity dates will be different. They will carry on as normal for the time being – we'll write to you shortly before each one matures to let you know when it's changing.

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## Financial changes

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### **Penalty for cashing in early**

To get the full return from your Index-linked Savings Certificates, you will need to keep your money invested for the whole of your chosen term. You can cash in your Certificate at the end of its term with no notice and no penalty.

If you do need access to your money before the end of the term, you can cash in all or part of your Certificate early, but we will deduct a penalty from your payment. The penalty will be equivalent to 90 days' interest on the amount you cash in.

Also, you won't earn any index-linking on the whole Certificate for the investment year in which you cash in, even if you only cash in part of your Certificate.

Bear in mind that if you cash in all of your Certificate within 90 days of renewing, you will get back less than your renewal value.

The penalty will apply to the Certificate we are writing to you about if you decide to renew it for a further term and then cash it in early. But if you decide to cash in this Certificate now, there is no penalty.

### **Minimum balance of £100**

If you cash in part of your Certificate, you'll need to keep at least £100 invested for the Certificate to remain open. The minimum you can renew for a different term at maturity is also £100.

### **How your interest is calculated**

As well as index-linking to the Retail Prices Index, Index-linked Savings Certificates also earn interest at rates that are guaranteed for the length of the term you invest in. Up until now, we've quoted an overall annual compound rate of interest for each Issue of Savings Certificates, but it's been made up of individual annual rates that start lower and increase each year for the length of the term.

For all new and renewed Savings Certificates starting on or after 20 September 2012, we will pay a guaranteed rate of interest that stays the same for the length of the term.

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## Example

Here is an illustration comparing the previous and new ways that we pay interest, using an example overall annual compound rate of 0.050% in addition to index-linking:

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	For a 5-year Certificate, paying index-linking plus an overall annual compound rate of 0.050%	
	Starting before 20 September 2012	Starting on or after 20 September 2012
Year 1	<b>Index-linking + 0.030%</b>	<b>Index-linking + 0.050%</b>
Year 2	<b>Index-linking + 0.035%</b>	<b>Index-linking + 0.050%</b>
Year 3	<b>Index-linking + 0.045%</b>	<b>Index-linking + 0.050%</b>
Year 4	<b>Index-linking + 0.055%</b>	<b>Index-linking + 0.050%</b>
Year 5	<b>Index-linking + 0.085%</b>	<b>Index-linking + 0.050%</b>

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With the previous way of paying interest, the annual rates started low and increased each year during the term.

Now we're paying a single rate of interest throughout the term and charging a penalty for cashing in early (see page 5).

Also, we will now always calculate daily interest by using 1/365th of the annual rate, even in a leap year.

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## Looking after your investment

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### Your options when your investment matures

We want to make sure you have enough time to make a decision, so we will now write to you 30 days before your Certificate matures.

If you've had maturing Index-linked Savings Certificates before, you'll notice that there aren't as many choices now. You used to be able to switch to Fixed Interest Savings Certificates without affecting your investment allowance for any new Issues of these Certificates that may be on sale. You can no longer do this.

If you decide to renew your investment, you'll be making a commitment to keep your money with us for the whole of your chosen term. (If you can't make this commitment, this may not be the right investment for you.)

Your renewed investment will then work as described in this leaflet. Please also read the separate **summary box** and **Key features** leaflet, which includes the terms and conditions.

### What if I do nothing?

If we don't hear from you before the maturity date, we'll automatically renew your investment for another term of the same length. If you then decide to cash in this new investment early, a penalty will apply – see page 5.

If you don't want this to happen, make sure you reply to us before the maturity date.

If your Certificate automatically renews and this is not what you want, you can cash it in up to 30 days after the renewal date with no penalty. (You can't do this online – please call us to find out more.)

### Your record of investing

We've designed a new investment record that looks different from the certificate of investment you've had before. We'll explain this in more detail if you decide to renew your Savings Certificate.

### Keeping track of your investment

We'll send you an annual statement for each Certificate you have, showing its value and how much index-linking and interest you've earned. We'll do this shortly after each anniversary date.

### Cashing in – how we'll pay you

We'll pay the money directly into your bank account when you cash in any new or renewed Certificates starting on or after 20 September 2012. It's a fast and secure way of receiving your money. We'll ask you to give us details of your bank account so we can keep this securely on our records. You can change the account you want us to pay into at any time.

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## Keep track of your money

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### Quick, easy and secure

For some time you've been able to buy Certificates online and by phone. We've now extended our service. You can now manage your Index-linked Savings Certificates, and most other NS&I accounts and investments, online and by phone. It's a secure and convenient way to keep track of your money with NS&I, 24 hours a day, 7 days a week.

### Only new or renewed Certificates starting on or after 20 September 2012 can be managed online and by phone.

Don't worry, any previous fixed term investments you have with us are still valid – just keep your original certificates of investment for these. They won't show up online but your money is still safely held at NS&I.

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## How to register

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Visit our website  
[nsandi.com/register](http://nsandi.com/register)

Call us  
**08085 007 007**

### Register and you'll be able to:

- Keep track of your money and get valuations
- Cash in
- Apply to invest in new Certificates (when Issues are on sale)
- Keep your details up to date including your address, email and nominated bank accounts
- Go paperless (available online only)

Not all services are available for trustees or attorneys.

## Rules for investors

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### Joint investments

Joint investors can now combine their allowance and invest up to £30,000 in each Issue (when on sale). For new Savings Certificates starting on or after 20 September 2012, you will both be able to take money out and close the investment independently.

If you invested jointly before 20 September 2012, and you choose to renew the Certificate for another term of the same length, we'll still need both of you to authorise any withdrawals unless you both confirm in writing that you're happy for either investor to do so.

### Minimum age of 16

You must now be aged at least 16 to hold Index-linked Savings Certificates. From 20 September 2012, you can't buy any new Certificates, or renew existing Certificates, in the name of a child under 16.

However, if you have children under 16 who currently hold Savings Certificates, you don't need to do anything yet – we'll write before each Certificate matures to explain the options.

## Independent information about money

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### The Money Advice Service

For independent information and advice.

[moneyadvice.service.org.uk](http://moneyadvice.service.org.uk)

**0800 138 7777**

Typetalk: **18001 0300 500 5000**

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### GOV.UK

For general information on money, tax and benefits

[gov.uk](http://gov.uk)

(click on 'Money and tax')

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### Age UK

For independent information and advice

[ageuk.org.uk/money-matters](http://ageuk.org.uk/money-matters)

**0800 678 1174**

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## What you need to do next

Your Index-linked Savings Certificate is about to reach the end of its term, so it's time to decide what to do next. Here's a reminder of your options.

### To renew for a term of the same length

You don't need to do anything – this will happen automatically if we don't hear from you before the maturity date.

### To renew for a term of a different length

Complete and sign the form which will be enclosed with your maturity pack and return it to us.

Make sure we receive your instructions before the maturity date.

### To cash in

Complete and sign the form which will be enclosed with your maturity pack and return it to us.

Make sure we receive your instructions before the maturity date.

### Before you decide

Please read all the information we've sent you, including the letter and this leaflet. Please also read the **summary box** and **Key Features** leaflet which includes the terms and conditions. And if you have any questions, just call us on **08085 007 007**.

We're here to help.

## What if I do nothing?

- If we don't hear from you before the maturity date, we'll automatically renew your investment for another term of the same length.
- If you then decide to cash in this new investment early, a penalty will apply. See page 5.
- If you don't want this to happen, make sure you reply to us before the maturity date.
- If your Certificate automatically renews and this is not what you want, you can cash it in up to 30 days after the renewal date with no penalty. (You can't do this online – please call us to find out more.)

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## Always here to help you

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**Find us online**  
**[nsandi.com](http://nsandi.com)**

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**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.

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**Write to us**  
**NS&I, Glasgow G58 1SB**

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**Tweet us**  
**[@nsandihelp](https://twitter.com/nsandihelp)**

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### **Alternative versions of this leaflet**

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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