

Premium Bonds

Print-friendly brochure

Happy days!

Invest in Premium Bonds and you could win from
£25 up to £1 million in our monthly prize draw

And now you can invest up to £50,000



This document has been downloaded from nsandi.com, and is correct as of February 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 18.

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All smiles

Every month we pay out two £1 million jackpots in the Premium Bonds prize draw.

But did you know we also pay out more than two million other prizes every month? And over 5,000 of these are worth between £500 and £100,000!

Invest in Premium Bonds and you'll be joining over 21 million people across the UK.

That's great news, because the more Bonds that are in the draw, the bigger the prize fund.

The headlines

- **You can now invest up to £50,000**
Giving you even more chances to win tax-free prizes.
- **You can buy for children online**
Parents and guardians can buy Bonds online or by phone for their children under 16.
- **We've updated our prize checker app**
Download our new free prize checker app through the App Store or Google Play. There's also a prize checker on our website.
- **We've improved our online banking service**
We've upgraded our online banking service to make it easier and quicker for you to manage your Premium Bonds and other NS&I savings.
- **You can have prizes paid directly to your bank account**
It's a quick, easy and secure way to receive any prizes you win. Find out more at nsandi.com/prizechoices

Premium Bonds explained

Investing in Premium Bonds is very straightforward.

Every £1 you invest buys a unique Bond number with a separate and equal chance of winning in a monthly prize draw.

And with NS&I Premium Bonds your money is 100% safe, as we're backed by HM Treasury.

The basics

How much can I invest?

- Minimum:
£100 (or **£50** for existing holders by standing order or electronic transfer)
- Maximum:
£50,000
- Your investment must be in whole pounds.

Every £1 Bond number can win a prize

- Instead of paying interest, the interest rate funds a monthly prize draw for tax-free prizes.
- The prizes range from £25 to £1 million.
- Your winnings are free from UK Income Tax and Capital Gains Tax.

How does the prize draw work?

- Once a month ERNIE, our Electronic Random Number Indicator Equipment, generates numbers at random.
- We then match those numbers to eligible Bonds to determine the lucky winners.
- Find out more about ERNIE and the prize draw on pages 4–5.

When will my Bonds be in the draw?

- Your Bonds will be eligible for their first draw one full calendar month after the month you buy them. So if you buy Bonds in June, they will be in the August draw.
- Once your Bonds are in the draw, they'll each have a chance to win for every month that you hold them.
- And the same winning Bond can win again in a different month.

What happens if you win a prize

- If you've registered for our online service you can choose to have any prizes you win paid directly to your bank account. We'll send you an email to let you know if you've won.
- Or we'll post you a warrant (like a cheque) which you can pay into your bank.
- Find out more about how to register on page 6.

And if you win a big prize...

- For high value prizes of £5,000 and over, we'll send you a claim form before paying out the prize.
- If you win a £1 million jackpot, congratulations! Our representative 'Agent Million' will visit you in person. Make sure you ask for identification – we'll always have it ready for you.



Totally random. Completely fair.

ERNIE was invented 60 years ago to specifically generate completely random numbers for our prize draw

The latest ERNIE is smaller and faster to keep up with the growing number of prizes we pay out – over two million every month!

Who is ERNIE?

ERNIE stands for Electronic Random Number Indicator Equipment and he was invented in 1956 by one of the original Bletchley Park code breakers. Like that other British icon, Doctor Who, ERNIE keeps renewing himself. He's now in his fourth generation.

What does ERNIE do?

He uses thermal noise generation to create random signals which are converted into winning Premium Bonds numbers for each monthly draw. It's impossible for anyone to predict ERNIE's numbers or influence the results of the draw.

This means the numbers he generates are as random as they can be. Can't say fairer than that!

How are winners chosen?

Once ERNIE has generated the random numbers, we match them in order against eligible Bond numbers to determine the lucky winners. So, each £1 Bond number has exactly the same chance of winning, no matter when or where you bought your Bonds.

How is the draw checked?

Each month, the Government Actuary's Department (GAD) does an independent check to ensure ERNIE's output is random. GAD then issues a certificate to confirm it has no reason to believe the draw isn't random. We can only publish winning numbers and pay out prizes when that certificate has been issued.

How can I check if I've won?

An easy way is to download our free prize checker app through the App Store or Google Play. Or use the prize checker on our website.

Some myths about ERNIE

- **Can Bonds be left out of the draw?**

No. ERNIE just generates random numbers. No numbers are entered or stored in ERNIE, so no eligible Bonds can be left out of the draw.

- **Does changing numbers change your luck?**

Sadly not. If you cash in and buy new Bonds you will have to wait another calendar month for your new numbers to be eligible for the draw. And meanwhile ERNIE might have picked your old number.

- **Why do people in the South East of England win more often?**

Because there are more Bonds held there compared with the rest of the UK.

- **Why do old Bond numbers never win?**

They do win. But there are so many more new Bond numbers in the draw that it's less likely.

Buying Premium Bonds

The quickest and easiest way is to apply online. But when you're ready to apply, you'll find all your options on page 8.

And if you'd like to give Premium Bonds to your child as a gift you can apply online and by phone.

Buying Bonds if you live outside the UK

You can buy Premium Bonds from abroad, but only in some countries. First you should check whether local regulations allow you to buy and hold Premium Bonds, as some countries don't allow this.

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.

For full details before you apply:

- visit [nsandi.com](https://www.nsandi.com)
- or call us on **+44 1253 832007**

Calls will be charged at the rate of your international phone provider.

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.

You can also have your prizes paid to your international bank account. Visit [nsandi.com/ips](https://www.nsandi.com/ips) to find out more about our International Payments Service.

Giving Premium Bonds as a gift

Keep it in the family

Whether you want to give a unique birthday present or help start the savings habit early, Premium Bonds can make a special gift for your child, grandchild, or great grandchild aged under 16.

You can now apply online

Parents and guardians can buy for their child online or by phone, as well as by post.

However, grandparents and great grandparents can only apply by post.

Who looks after the Bonds?

You'll need to nominate a parent or legal guardian to look after the Bonds until the child is 16. We'll send the nominated person the Bond record, any prizes won and any payment for cashed in Bonds.

You can choose either parent or guardian to look after a different set of Bonds for the same child. But the total invested has to be within the current limit. We'll give a separate holder's number to each parent or guardian for those Bonds they look after for the child.

What about grandparents and great grandparents?

When you're buying for your grandchild or great grandchild, we'll send you an acknowledgement of your investment. But only when the nominated parent or guardian will be able to manage and cash in the Bonds.



Keeping track of your Bonds

We may need proof

We'll need to check the identity and address of everyone named on the application, including the child. So we may ask you to send us some documents.

You can also choose to look after your Bonds in the way that suits you best.

When you register for our online and phone service you'll be able to check your balance and prizes as well as buying more Bonds or cashing some in.

And you won't have to do everything online – you can still use our phone service or the post. It's up to you.

What you can do if you're registered

- Buy, keep track of and cash in Bonds
- Keep details like your address, email and nominated bank account up to date
- Have any future prizes paid directly to your bank account (we'll need a valid email address)
- Ask us to stop sending you paper Bond records (only if you use our online service)

How to register for our online and phone service

Visit nsandi.com/register for all the information you need and registration forms. Or call us.

When you register we'll ask you to choose a password and to answer some security questions. And if you don't already have one, we'll give you a unique NS&I number.

Already registered for another NS&I investment?

There's no need to re-register for our online and phone service. You can use your existing NS&I number and password to manage your Premium Bonds straight away. Or do you have Premium Bonds but can't view them when you log in? Call us and we'll explain what to do.

Not ready to buy Bonds online?

Even if you don't feel ready to buy or cash in Bonds online, you may still find it's worth registering. Why? Well if you're registered, you can choose to have prizes paid directly to your bank account. It's quicker, safer, and you won't need to go to your bank. You'll just need a valid email address so we can let you know when you've won.

And you can check your Bond numbers and see how much you hold. But if you want to buy more Bonds, you can still use the post or phone if you prefer. There's no pressure.

Managing Bonds for someone else?

Sorry, not all these services are currently available if you're managing Bonds for a child, or anyone else under a power of attorney or as a deputy.

Prefer to use the post?

You can write to us at any time to give us instructions about your Bonds. If you need a cashing in form, you can download one from our website and post it back to us. Or call us and we'll send you one.

Remember to quote your Premium Bonds holder's number when you contact us. We'll post you a Bond record (a bit like a statement) every time you buy or cash in Bonds.

Keep up to date with the prize draw

From time to time, the chances of winning, the prize fund interest rate and the number and value of prizes can change.

You'll find the latest details at nsandi.com or in our separate prize draw details leaflet. Call us if you need a copy.

Premium Bonds at a glance

Key product information

The information below will help you compare Premium Bonds with other investments.

- **Account name**

NS&I Premium Bonds

- **Interest rates**

These Bonds don't earn interest. Instead the interest rate funds a monthly prize draw for tax-free prizes including two £1 million jackpots every month. See our prize draw details leaflet or visit nsandi.com

- **Tax status**

All prizes are tax-free

- **Withdrawal arrangements**

No notice and no penalty

Access

- How to apply

- Visit our website or call us
- Download an application form and post it to us – see page 8

- How to cash in

- Use our online or phone service if you're registered
- Visit our website and download a Premium Bonds cashing in form and post it to us
- Call us and ask for a cashing in form

Decisions, decisions

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

Right for you if:

- You want the chance every month to win a £1 million jackpot and other tax-free prizes
- You want to make the most of tax-free investment opportunities
- You have £100 or more to invest
- You want 100% security for your money

Not for you if:

- You want a regular income from your savings
- You are looking for guaranteed returns
- You're concerned about inflation eroding the value of your savings
- You want to give them to anyone aged 16 and over



Ready to apply?

Apply online

nsandi.com

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

Not ready to invest online? You can still use our website to learn more, sign up for email updates 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 Premium Bonds holder's 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 and send your Bond record. 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

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 your Bond record, or an email if you've chosen 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 your Bond record or email.

Apply by post

Here's how:

- Download the form at nsandi.com/premium-bonds-form
- Complete the form in full.
- Make sure you have signed and dated it.
- Post your completed form and 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 6a 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.

Remember

You can no longer apply at Post Office® branches.

Terms and conditions: 1 February 2017

Description

1. This agreement applies to NS&I Premium Savings Bonds Series B ("Bonds"), and these terms and conditions have been set subject to 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 UK Government securities subject to the National Savings (No. 2) Regulations 2015 (Statutory Instrument Number: 2015/624) as amended or re-enacted from time to time. In the event of any differences between these terms and conditions and the Regulations, the Regulations will prevail.

Definitions

3. In these terms and conditions:

- (a) "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) "Bonds" means NS&I Premium Savings Bonds Series B;
 - (d) "Director" means the Director of Savings;
 - (e) "electronic transfer" means payments, or purchases, by BACS or Faster Payments, including under a standing order (unless the context requires otherwise);
 - (f) "Gazettes" means the London, Edinburgh and Belfast Gazettes;
 - (g) "high value prize" means a prize of £5,000 or above;
 - (h) "NS&I" means National Savings and Investments;
 - (i) "prospective user" means a person described in paragraph 77 who is entitled to become registered as a "registered user";
 - (j) "registered user" means a person who has registered to use the Service;
 - (k) "Service" means the telephone and internet services provided by NS&I for the purposes of purchasing and managing Bonds as described in paragraph 77.
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.

Prize draws

5. Bonds do not earn interest, but become eligible for prizes in monthly draws.

6. There is a prize fund for each month which is equal to one month's interest on each Bond unit eligible for the prize draw for that month. The rate of interest used to calculate the prize fund may be changed by the Treasury from time to time.

7. The number of prizes in each month's draw will be calculated by dividing the total number of Bond units eligible for that draw by a specified number ("the odds") as follows:

- Total number of eligible Bond units divided by the odds for the draw equals the total number of prizes.

The specified number ("the odds") is determined by the Treasury from time to time.

8. The prize fund is divided into individual prize values, which may be categorised into one or more prize value bands.

9. The percentage share of each month's prize fund allocated to each individual prize value or prize value band is determined by the Treasury from time to time.

10. There will be at least one £1,000,000 prize in each monthly draw.

11. The current rate of interest used to calculate the prize fund, details in respect of the odds, specified number of prizes, prize values, prize bands, the basis of distribution of prizes between the prize values and prize bands and notice of changes will be:

- published on the NS&I website;
- published in our Prize Draw Details leaflet available from NS&I;
- published in the Gazettes; and
- made available directly from NS&I over the phone.

Eligibility of Bonds for prizes

12. A Bond will be eligible for all draws in and from the second month after the month of purchase or, where the Bond is purchased under an automatic prize reinvestment mandate (see paragraph 39), from the month immediately after the month of purchase, provided in each case that the Bond has not been repaid before the first day of that month.

13. After a Bond has qualified for its first draw it will be eligible for each subsequent draw, unless:

- (a) it has been repaid before the first day of the month for which the draw is held; or
- (b) the registered holder has died more than a year before the month for which the draw is held.



14. Each £1 Bond unit is eligible for one prize in each draw. If a Bond unit is drawn more than once in a draw it will be allocated the highest prize for which it is drawn.

15. Any Bond purchased in excess of the maximum holding limit of £50,000 (see paragraph 44) will not be eligible for a prize draw until the Bond holder's holding has been reduced to not more than the maximum limit. We have the right to reclaim any prizes won by a Bond subsequently found to be ineligible by virtue of being in excess of the maximum holding limit.

Publication and allotment of prizes

16. The winning Bond numbers are published on the NS&I website. The registered holders of winning Bonds will be notified by post or by email (where that holder has registered for the Service and has agreed to receive such notifications by email) using the most recent contact details as recorded at NS&I. For this reason it is important that we are advised of any change of contact details promptly.

17. We have sole discretion on all matters concerning the method and conduct of the draws and allotment of prizes. Our decision as to which Bonds have won prizes is final.

Tax

18. The prizes are free of all UK Income Tax and Capital Gains Tax.

Who may purchase and hold Bonds

19. Individuals Individuals of at least 16 years of age may, for only their own benefit, purchase and hold Bonds in their own name.

20. 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.

21. Children Bonds may be purchased on behalf of a child under 16 years of age in accordance with paragraphs 65 to 72.

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

23. Bankrupts Bonds may not be held or purchased by a person who is an undischarged bankrupt.

How to purchase Bonds

24. Subject to paragraph 25, an application to purchase Bonds can be made:

- (a) via the internet;
- (b) by telephone;
- (c) by electronic transfer;
- (d) by post to NS&I.

25. The following restrictions apply:

- (a) (great) grandparents buying on behalf of a child under 16 can only apply by post;
- (b) attorneys or 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;
- (c) only existing Bond holders buying for themselves can apply by electronic transfer.

26. Where an applicant applies by telephone or via the internet, the Bonds must be purchased using a debit card in the name of the applicant issued by a UK bank or building society.

27. Where an applicant makes an application via the internet or by telephone, we may ask the applicant to provide their signature. If so, we will write to the applicant, specifying the time by which we need to receive their signature. If we do not receive the signature within the specified time we will not be able to process the application. If this is the case any money paid to us will be refunded to the relevant debit card or by issuing a crossed warrant (like a cheque). However, we reserve the right to use a different method of payment if necessary. Any payment refunded will not include any interest and Bonds will not be eligible to be included in the prize draw for the intervening period.

28. Existing Bond holders with a holder's number may, subject to the minimum purchase limit (see paragraph 42) and maximum holding limit (see paragraph 44), purchase further Bonds under these terms and conditions by electronic transfer. Payment for the Bonds must be from a UK bank or building society account in the Bond holder's name. The Bond holder will need to provide their holder's number in the payment reference when making the purchase, otherwise the date of purchase may be delayed. By applying for Bonds by electronic transfer you will be deemed to have accepted the Premium Bonds terms and conditions applicable on the date of purchase.

29. When an application is made by post the Bond must be purchased using a cheque drawn on a UK bank or building society account held by the proposed Bond holder or applicant, where different. Where Bonds are being purchased by an attorney or a deputy, the Bonds can also be purchased using a cheque drawn on a UK bank or building society account held in the name of the attorney or deputy. In all cases Bonds can also be purchased using a UK building society branch cheque or UK banker's draft.

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

31. Once an application is accepted, the date of purchase of Bonds will be:

- (a) for applications via the internet, the date the online application, including authorisation of the debit card payment from the card issuer, was received at NS&I;
- (b) for applications made by telephone, the date the application, including authorisation of the debit card payment from the card issuer, was received at NS&I;
- (c) for applications made by electronic transfer, the date the payment was received in the Director's account;
- (d) for applications sent by post, the date the application and payment were received at NS&I. No responsibility will be accepted for applications which are lost in the post, or affected by postal delays. Proof of posting will not be accepted as proof of delivery.

32. Once an application has been accepted, the Bond holder will receive confirmation of the Bond numbers including the date and value of the purchase.

Evidence of identity

33. 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.

34. When applying to invest or at any time, we may also request documentary evidence of your identity, address and/or source of funds. Our request will let you know by when you need to send us the documents. If we don't receive your documents within that time we will not be able to process your application. We may also request documentary evidence directly from any other person named in the application. We accept no responsibility for documents which are lost in the post, or affected by postal delays. Proof of posting will not be accepted as proof of delivery.

35. Where we can't accept your application in these circumstances (paragraphs 33 and 34), 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. Any payment refunded will not include any interest and Bonds will not be eligible to be included in the prize draw for the intervening period.

Cancellation rights

36. If an applicant is not happy with their purchase of Bonds they have 14 days from the date the confirmation of purchase was received within which to cancel the Bonds. To cancel the Bonds an applicant must notify us in writing, by post, by email, or by telephone, using the details at the end of these terms and conditions.

37. If an applicant cancels their Bonds we will return all of the money to them. Payment will not include any interest for this period and the Bonds will not be eligible to be included in the prize draw. If an applicant does not cancel their Bonds, the Bonds will become eligible for the prize draw in accordance with paragraph 12 and these terms and conditions will apply until the Bonds are repaid.

Regular purchase scheme

38. Existing Bond holders may, subject to the minimum purchase limit (see paragraph 42) and maximum holding limit (see paragraph 44), purchase further Bonds under these terms and conditions through the Premium Bonds Regular Purchase Scheme. The Regular Purchase Scheme is not available for purchases on behalf of children under 16 years. Payment for the Bonds must be by standing order from a UK bank or building society account in the Bond holder's name. We will automatically send a Bond holder confirmation of the new Bonds purchased. The date of purchase will be the date the payment is received in the Director's account. A Bond holder may cancel such a standing order at any time without notifying NS&I.

Reinvestment of prizes

39. Subject to the maximum holding limit (see paragraph 44), a request can be made by a Bond holder, or nominated parent or guardian where the Bond holder is under 16, to have the value of any future prizes added to their holding. This is known as automatic reinvestment of prizes.



40. For all purchases made by means of an automatic reinvestment of prizes, a Bond holder, or an attorney or a deputy on behalf of a Bond holder, or nominated parent or guardian where the Bond holder is under 16, will receive confirmation of the Bond numbers including the value and date of purchase.

Purchase and holding limits

41. Bonds may be purchased in multiples of £1. The minimum purchase at any time is £100 (one hundred £1 units). Purchases made by cheques for less than £100 will be returned to the applicant.

42. Where the purchase is made by electronic transfer or under the Regular Purchase Scheme (see paragraphs 28 and 38) the minimum is £50 (fifty £1 units). If any purchase is for less than £50 it will be returned to the Bond holder's bank in full.

43. The purchase limits in paragraphs 41 and 42 do not apply where the purchase is made under an automatic prize reinvestment mandate (see paragraph 39). Where such a purchase will take the holding up to the maximum limit (see paragraph 44), any balance of a prize will be paid to the Bond holder.

44. A Bond holder may not hold more than £50,000 (fifty thousand £1 units). This limit is set by the Regulations and may be changed from time to time. If any purchase would result in this limit being exceeded, we will accept part of the purchase with any excess amount being returned to the applicant. However, this will not apply where the purchase is made by electronic transfer or under the Regular Purchase Scheme (see paragraphs 28 and 38) as these payments will automatically be returned in full.

Cashing in

45. Subject to paragraph 52, a Bond holder can cash in their Bonds at any time, for any reason, without charge. In certain limited circumstances (such as where the Bond holder lacks capacity and an application is made by their attorney or deputy), we may also accept requests for repayment from persons other than the Bond holder.

46. Bonds purchased by cheque or debit card can only be cashed in after payment has cleared. However, in certain circumstances, we may allow Bonds purchased by debit card to be cashed in before the payment has cleared. If we so allow, we will repay the sum requested to the debit card from which the deposit was made.

47. It will normally take seven banking days from the date of purchase for payments to clear. For example, if we receive

a cheque on a Monday, the payment will be cleared on the Tuesday of the following week. Allow one additional day on top of this for each English bank holiday. The same clearance periods apply for debit card payments. Payment clearance may exceed the timescales given above if the drawer of the payment has recently switched their banking service to another provider.

48. As Bonds are issued in units of £1, the minimum amount that can be cashed in at any one time is £1.

49. For internet or telephone applications to cash in made via the Service, Bonds will automatically be selected on a "first in, first out" basis (the oldest Bond will be selected first and the most recent Bond selected last). Payment will be made by electronic transfer to the nominated bank account.

50. For postal applications to cash in, payment will normally be made by electronic transfer to the nominated bank account. However, in certain circumstances we may accept requests for payment to be made by crossed warrant (see paragraph 61).

51. For all applications that include a request for partial repayment of a Bond, whereby you're not cashing in the whole range of numbers from a Bond, we'll automatically repay from the end of the range. Bond holders cannot choose specific individual numbers from a Bond for repayment.

52. To make sure that Bonds remain eligible for the prize draw for the maximum period of time applications to cash in received during the last two banking days of a month will not be processed until one banking day after the first day of the next month. Consequently there may be a delay of up to three banking days in us issuing the payment.

Repayments by electronic transfer

53. Where repayment is to be made by electronic transfer, repayments will normally be made to the nominated personal UK bank account (including an NS&I Direct Saver) or building society account in the Bond holder's name.

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

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

56. Bond holders who have not already advised us of their nominated bank or building society account will be asked to provide details of an account suitable to receive electronic transfers when they apply to cash in their Bonds.

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

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

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

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

Repayments by crossed warrant

61. We will normally process the application for payment and issue a crossed warrant within eight banking days of receiving the instructions. The date of repayment will be taken to be the date on the crossed warrant.

Repayment of Bonds by NS&I

62. We can repay Bonds immediately, without needing an application to cash in, if:

- (a) we reasonably think any of the persons named in the application have provided false information;
- (b) we reasonably suspect that the Bonds are being held for an illegal purpose;
- (c) the applicant who applied to purchase the Bonds, was not entitled to purchase them, or the Bond holder is not entitled to hold them;
- (d) the Bond holder's holding exceeds the maximum allowable (see paragraph 44) (to the extent that the holding exceeds the maximum);

- (e) the Bond holder fails to comply, in a material manner, with the terms and conditions for holding the Bonds; or
- (f) we have any other valid reason to do so.

Transfers

63. Bonds are not transferable at any time. Following the death of a Bond holder, the value of the Bonds will form part of the deceased Bond holder's estate.

Payment of prizes

64. Apart from Bonds held on behalf of a child (see paragraph 71), prizes:

- (a) subject to subparagraphs (c) and (d), will normally be paid by crossed warrant to the last recorded address for Bond holders who are not registered to use the Service for their Bonds;
- (b) subject to subparagraphs (c) and (d), may be paid by electronic transfer to the nominated bank account for Bond holders operating their holding by means of the Service. Where payment is made by electronic transfer Bond holders will receive notification of any prizes by email;
- (c) will result in the purchase of new Bonds (subject to the maximum holding limit – see paragraph 44) for Bond holders who have selected the automatic prize reinvestment option (see paragraph 39), unless the prize is a high value prize; or
- (d) will lead to NS&I asking Bond holders to confirm their preferred method of payment, where they have selected the automatic prize reinvestment option and the prize won is a high value prize.

Children under 16 years

65. Bonds may be purchased on behalf of and in the name of a child under 16 years of age, by their parent, grandparent, great grandparent, or guardian (see paragraph 21). However, Bonds cannot be purchased for children by electronic transfer and (great) grandparents cannot purchase via the internet or by telephone.

66. The Bond numbers, including the date and value of purchase, will be sent to the parent or guardian nominated in the application to purchase. Only one parent or guardian may be nominated to manage a holding on behalf of a child. Where the Bonds are purchased by a grandparent or great grandparent the applicant will be sent an acknowledgement of the purchase.



67. The parent or guardian nominated in the application to purchase will have responsibility for managing the Bonds while the child remains under 16 years of age. All communications relating to Bonds held by a child, including instructions to cash in Bonds, will be accepted from the nominated parent or guardian, unless there are exceptional circumstances causing us to doubt that the nominated parent or guardian is a fit person to manage the Bonds.

68. There may be multiple holdings for one child and each may have a separate nominated parent or guardian. In such circumstances each nominated parent or guardian will have a separate holder's number and will normally only be able to manage and have access to the holding for which they are the nominated parent or guardian.

69. The maximum holding limit referred to in paragraph 44 applies to the total number of Bonds held by a child, regardless of who has responsibility for managing those Bonds. For the purposes of the maximum holding limit, a child's Bonds are treated separately from any held by the nominated parent or guardian on their own account.

70. As indicated in paragraph 38, the Regular Purchase Scheme is not available for purchases on behalf of children under 16 years.

71. Prizes won by a child under 16 will normally be paid by crossed warrant, made payable to the nominated parent or guardian for that holding.

72. Repayment of Bonds will normally be made by electronic transfer to a bank account in the name of the nominated parent or guardian, or by crossed warrant made payable to the nominated parent or guardian for that holding.

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); or
- (c) by post by completing the relevant forms (available from us) and returning them to us. Where we do not have a record of the holder's signature, we may make additional security checks before we can carry out the holder's instructions.

74. We cannot change or cancel payment instructions because we start processing them when 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 Bonds;
- (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 holding of Bonds 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 about the refusal and, where appropriate, our reason for refusing, along with information on how to correct any errors that led to the refusal, by contacting us using the details at the end of these terms and conditions (unless we are prevented by legal obligations, or circumstances beyond our control, from providing this information).

Telephone and Internet Service

77. We offer the opportunity to purchase and manage Bonds via the telephone and/or internet, to receive paperless documents, and to receive payment of prizes by electronic transfer with notification of any prizes won by email. The Service is offered to Bond holders and, where a Bond holder is under 16, lacks capacity or has created a valid power of attorney, a limited Service is offered to those entitled to manage their Bonds (each a "prospective user"). To use the Service to both purchase and manage Bonds, a prospective user will need to register either by telephone or via the internet as part of their application to purchase. If a prospective user wants to register to use the Service to manage Bonds that they have already purchased, they can register either by telephone or via the internet. We may need to ask you to return documents by post to complete your registration. Deputies and attorneys can only register to use the limited Service by completing the registration form (available on request from NS&I) and returning it to us by post.

78. 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 Bonds (see paragraph 81).

79. 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 Bonds using the Service, they will need to change the temporary password to one of their own choosing. The 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.

80. We will use the password and security information to verify the identity of the person seeking to access 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.

81. 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.

82. 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 registered users receive 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 registered users must not supply their security information to them under any circumstances. Registered users should report any such request to us immediately.

83. 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 while logged on.

84. 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.

85. 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.

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

87. 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 reasonable notice.

Liability

88. If a Bond holder, or anyone entitled to manage their Bonds, tells us that an application to cash in Bonds was not authorised, we will carry out an investigation. As soon as we are reasonably satisfied that the application to cash in was not authorised, we will, subject to paragraph 89, reinstate the Bonds to the position they would have been in if the unauthorised payment had not taken place. This means that, in addition to the amount of the unauthorised payment, we will pay any prizes for which the Bonds would have been eligible, but we will have no further liability.

89. However, we will not be liable for:

- (a) any payments made in respect of Bonds where the Bond holder, or anyone entitled to manage their Bonds, has acted fraudulently; or
- (b) any payments which both:
 - (i) result from a deliberate or careless failure of the Bond holder, or anyone entitled to manage their Bonds, to keep their password or security information secret; and
 - (ii) occur before we are notified that the password or security information has been disclosed to a third party.

90. If we are asked to make a payment 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 has not received the payment, we will make the payment again, unless:



- (a) there was a mistake in any of the details contained in the payment instructions given to us. If this is the case, we will make reasonable efforts to recover the funds; or
- (b) we can show that the payment was in fact received by the bank or building society to which payment should have been made.

How we use your information

91. 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 product analysis;
- (e) provide you with marketing material, which may be tailored to your individual needs, when we have your permission to do so;
- (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.

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

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

93. 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.

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

95. 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.

96. 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.

97. Information about the Bond holder and their Bonds will be kept after a holding is closed to maintain the integrity of the Premium Bonds prize draw process. Customer information will be held by us in both paper form and on our IT systems. 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 account(s) you hold and the account number(s). There may be a small charge for this service – if so, we will make this clear.

98. 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.

99. 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

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

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

You should also ensure that your nominated bank account details are kept up to date. If you are registered to use the Service you should notify us of any such changes by telephone, or update your details via the internet. Otherwise you should write to us at the address at the end of these terms and conditions.

Complaints

101. 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**

102. 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 in these terms and conditions

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

104. Typically, changes will be made subject to paragraph 103:

- (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 any 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.

105. If the change is to the Bond holder's detriment, details of the change will be published on our website, in the Gazettes and, if appropriate, in a range of national newspapers.

106. Where these terms and conditions are superseded by new terms and conditions, the new terms and conditions will apply to new purchases and existing holdings. The current terms and conditions are available from NS&I and on our website at **nsandi.com**

Regulations

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

Law and jurisdiction

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

109. 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.

110. Subject to paragraphs 111 and 112, 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.

111. 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.

112. Paragraphs 110 and 111 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.

Premium Bonds

National Savings and Investments
Glasgow
G58 1SB

Telephone 08085 007 007

Visit our website **nsandi.com**

1 February 2017

PLEASE KEEP FOR REFERENCE



Always here to help you

Find us online
nsandi.com

Call us
08085 007 007

You can call us any time. We're here in the UK all day, every day.

Calls from the UK are free.

We may record your call to help us give you the best service.

Write to us
NS&I, Glasgow G58 1SB

Tweet us
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