

# Key features

What's inside:

Key features

Terms and conditions: 1 December 2016

Please keep this leaflet for your reference



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## Key features

### **What is an NS&I Children's Bond?**

It is a lump sum investment made on behalf of a child, with fixed rates of interest for five years at a time. Children's Bonds are designed to be held for their full term. You can have access to the investment on behalf of your child before the end of the term, but there will be a penalty.

Children's Bonds are sold in 'Issues', each with a specific interest rate that is guaranteed for five years. Issues can be withdrawn by NS&I at any time.

Children's Bonds are no longer on general sale. The current Issues are only for existing customers renewing their Bond at maturity

### **The Bond's key features are:**

- The minimum balance for each Bond is £25 and you were able to invest £3,000 per child per Issue.
- All the interest earned is free from UK Income Tax and Capital Gains Tax, both for the child and the parent or guardian.
- The Bonds will be in the child's name, but their parent or guardian will need to look after the investment until the child is 16.
- The person who looks after the Bond can manage it online, by phone or by post.
- All or part of the Bond can be cashed in early by the person who controls the Bond, but we will deduct a penalty equal to 90 days' interest on the amount cashed in. Bear in mind that if you cash in all of the Bond within 90 days of renewing, the amount repaid will be less than the amount renewed. If you cash in part of a Bond, you must keep at least £25 invested for the Bond to remain open.

**Please also read the summary box**

### **Who controls the Bond?**

Children's Bonds are owned by the child, but until the child's 16th birthday the parent or guardian nominated on the application will control the Bond, regardless of who bought it.

Only the nominated parent or guardian can decide to cash in the Bond on behalf of the child, but the money still belongs to the child. We will send the investment record, anniversary statements and any correspondence to the nominated parent or guardian.

When the child reaches 16, they will control all the Children's Bonds held in their name. We will then send all correspondence directly to the child.

### **Keeping your details up to date**

As the parent or guardian responsible for your child's Bond, it's important that you keep your and your child's personal details up to date, including name, address, nominated bank account and email address, so that any payments or communications from us about your child's Bonds reach you safely. If you've registered for our online and phone service, you can update your personal details by logging in at [nsandi.com](https://www.nsandi.com) or calling us on **08085 007 007**.

Otherwise you'll need to complete a change of details form and post it to us.

### **What happens at the end of the investment term?**

Around a month before the end of the term, we'll contact the person who controls the Bond in writing to explain the options available at that time.

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## Terms and conditions: 1 December 2016

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### Description

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1. This agreement applies to National Savings and Investments ("NS&I") Children's Bonds ("Bonds"), and these terms and conditions have been set pursuant to section 12 of the National Loans Act 1968. These terms and conditions set out the obligations we have to you, as a customer, and the obligations you have to us. Please read these carefully and keep for reference.

2. Bonds are a UK Government security subject to the National Savings (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

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3. In these terms and conditions:

- (a) "anniversary date" means any anniversary of the date of purchase of a Bond, but if the date of purchase was 29 February, the anniversary date will always be 28 February (even in a leap year);
- (b) "BACS" means the Banking Automated Clearing Service;
- (c) "banking day" means a day (other than a Saturday, Sunday or bank holiday) on which banks are generally open for business in London, and, in relation to the processing of a payment, any other place of receipt; "Director" means the Director of Savings;
- (d) "Bond" means an NS&I Children's Bond;
- (e) "Bond holder" means a person in whose name a Bond is held;
- (f) "Director" means the Director of Savings;
- (g) "electronic transfer" means payments, or purchases, by BACS or Faster Payments, including under a standing order (unless the context requires otherwise);
- (h) "maturity date" means the day after the last day of the term;
- (i) "nominated parent or guardian" means the person(s) named on the application to invest to control the Bond on behalf of the Bond holder aged under 16 years, this will normally be a person with parental responsibility for the Bond holder (see paragraph 3(k));
- (j) "NS&I" means National Savings and Investments;
- (k) "person with parental responsibility" means a person who has parental responsibility for the Bond holder within the meaning of the Children Act 1989. This will normally mean either a parent or guardian of the Bond holder;

- (l) "prospective user" means a person described in paragraph 81 who is entitled to become registered as a "registered user";
- (m) "registered user" means a person who has registered to use the Service;
- (n) "renewed investment" means an investment in a Bond that has reached maturity and has been invested for a further term in the same or another Bond;
- (o) "Service" means the telephone and internet services provided by NS&I for the purposes of purchasing and managing Bonds as described in paragraph 81.
- (p) "term" means the period for which rates of interest were fixed at the time of purchase of the Bond (see also paragraphs 8 and 9 inclusive) (unless the context requires otherwise).

4. For the purposes of these terms and conditions, any references to "we", "us" or "our" are references to the Director or those acting under the Director's authority.

### Meaning of complete month

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5. For the purposes of these terms and conditions, a month is completed at the end of the day immediately before the same date as the date of purchase of a Bond, but in a month following the month of purchase (for example, for a Bond purchased on 5 January, the first month is completed at the end of 4 February).

6. Where the date of purchase was 29, 30 or 31 of a month, and a later calendar month does not contain such a date, the relevant month is completed at the end of the day preceding the last day of that calendar month (for example, for a Bond purchased on 31 March, the first month is completed at the end of 29 April).

7. In the case of a Bond with a purchase date of 29 February, every 12th month will be completed at the end of 27 February, even where that month falls in a leap year.

### Investment terms

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8. A Bond earns interest at a rate fixed for a 5-year term.

9. The last day of the term will be the day which immediately precedes the relevant anniversary date (for example, the last day of a five year term beginning on 5 January 2013 will be 4 January 2018).

### Issues of Bonds

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10. Each Bond issued belongs to an "Issue". Each Issue has a specific interest rate that applies to it.

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**11.** Any Issue can be withdrawn from sale without notice. An application can only be accepted for the Issue on sale on the date of purchase (see paragraphs 30 and 31).

**12.** Some Issues may be exclusively available:

- through certain sales channels (for example telephone and internet); and/or
- to existing Bond holders with maturing Bonds.

**13.** The details applicable to each Issue on general sale offered under these terms and conditions will be:

- published on the NS&I website;
- published in our Interest Rates leaflet available from NS&I;
- published in the London, Edinburgh and Belfast Gazettes; and
- made available directly from NS&I over the phone.

**14.** The details applicable to Issues exclusively available to existing Bond holders with maturing Bonds will be provided in the pre-maturity information that nominated parents or guardians receive when existing Bonds are due to mature.

## Interest

**15.** Subject to paragraphs 49 and 76 to 78 inclusive, interest is earned for each day a Bond is held based on the value of the Bond at the end of that day. For this purpose the value of the Bond will be reduced by any repayments dated for that day (see paragraphs 58 and 60).

**16.** Interest is earned on a daily basis at 1/365th of the annual interest rate for each day.

**17.** We will add any interest earned to the value of the Bond annually on the anniversary date. It will then form part of the capital value of the Bond which will earn further interest unless the Bond is cashed in. The capital value of the Bond after the annual interest has been added will be rounded to the nearest penny.

**18.** If the anniversary date falls on a day which is not a banking day, the Bond will not be credited with interest until the next banking day. If the anniversary date falls on 29 February, interest will be added on 28 February, even where that month falls in a leap year.

## Tax

**19.** Sums payable in respect of interest on investments held within allowable holding limits and in accordance with these terms and conditions will be free of UK Income Tax and Capital Gains Tax.

## Who may purchase and hold Bonds

**20.** Bonds may be bought for a person under 16 years of age, by their parent, legally appointed guardian, grandparent or great-grandparent.

**21.** Bonds may only be held in the name of, and for the benefit of, the Bond holder.

**22.** A Bond may not be held in the name of more than one person.

**23.** A parent or guardian (see paragraph 3(i)) must be nominated to receive correspondence and control the Bond until the Bond holder is 16 years of age.

## How to purchase Bonds

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

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

**25.** Only applications to purchase made by a parent or legally appointed guardian can be made via the internet and by telephone. Applications made by grandparents or great grandparents can only be made by post.

**26.** As Bonds have a specified term, it is not possible to invest further money in a particular Bond once it has been issued. Where Bonds of a particular Issue have been purchased on different dates, a new Bond will be issued in respect of each purchase.

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

**28.** Where an applicant makes an application via the internet or by telephone, we may ask the applicant to provide their signature. If so, we will write to the applicant, specifying the time by which we need to receive their signature. If we do not receive the signature within the specified time we will not be able to process the application. If this is the case any money paid to us will be refunded to the relevant debit card or by issuing a crossed warrant (like a cheque). However, we reserve the right to use a different method of payment if necessary. No interest will be earned or paid for the intervening period.

**29.** When an application is made by post the Bond must be purchased using a cheque drawn on a UK bank or building society account held by the applicant, or by a building society branch cheque or banker's draft.

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



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**31.** Once an application to purchase has been accepted, the date of purchase will be the date that the completed application to purchase was received by us. For these purposes:

- (a) an application to purchase using a debit card for payment will not be considered complete until we have received the authorisation of payment from the debit card issuer; and
- (b) we accept no responsibility for applications which are lost in the post or affected by postal delays, and proof of postage will not be accepted as proof of delivery.

### **Evidence of identity**

**32.** We are required to verify the identity and address of our customers before we can accept an application to invest. To do this we may make electronic checks with a credit reference agency. When you apply to invest on behalf of the child, you confirm that you, and anyone else named on the application, are aware that your and their identity and address will be checked.

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

**34.** Where we can't accept your application in these circumstances (paragraphs 32 and 33), we will cancel it and refund the money to your debit card or by issuing a crossed warrant (like a cheque). However, we reserve the right to use another method for payment if necessary. No interest will be earned or paid for the intervening period.

### **Cancellation rights**

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

### **Purchase and holding limits**

**36.** The minimum value Bond that may be purchased is a £25 Bond.

**37.** An applicant may not apply to purchase a Bond if immediately after that purchase the Bond holder would hold more than £3,000 (at purchase price) of Bonds of that Issue.

**38.** Renewed investments are not subject to the limits on purchasing Bonds set out in paragraph 37, nor do they count towards a person's holding for the purposes of determining whether any other application to purchase further Bonds on their behalf may be made. For example, a nominated parent or guardian could renew a maturing £3,000 Bond into a particular Issue and could purchase up to an additional £3,000 in that Issue, if that Issue is on general sale (see paragraph 12).

**39.** If an applicant should complete an application in error which would take the total holding of a Bond holder in a particular Issue over the holding limit then, in respect of the excess amount:

- (a) the value will be returned to the purchaser if the error is identified before the investment record is issued; or, if later
- (b) the value will remain the property of the Bond holder and may earn interest at the discretion of the Director at such rate as the Treasury may determine. Such interest will be liable to UK Income Tax. The Director will notify the nominated parent or guardian (see paragraph 3(i)), or the Bond holder if aged at least 16, of the excess so that it can be repaid or reinvested into another NS&I product.

### **Control of the Bond**

**40.** Until the Bond holder is aged 16, control of the Bond will rest with the nominated parent or guardian.

**41.** Subject to paragraph 43, the nominated parent or guardian, or court-appointed deputy, shall have the same authority to control the Bond as a Bond holder aged 16.

**42.** All correspondence relating to the Bond (including the investment record and anniversary statements (see paragraphs 71 to 74 inclusive)) will be sent to the nominated parent or guardian.

**43.** While the Bond holder is aged under 16 the Director will only repay a Bond, or part of a Bond, to a person who satisfies the Director that he or she is a proper person to receive payment on behalf of the Bond holder. This will normally be the nominated parent or guardian.

**44.** Except where a deputy has been appointed, the Bond holder will obtain control over a Bond when they have reached the age of 16.

### **Cashing in**

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

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**46.** It will normally take seven banking days from the date of purchase for payments to clear. For example, if we receive a cheque on a Monday, the payment will be cleared on the Tuesday of the following week. One additional day should be allowed for each English bank holiday. The same clearance periods apply for debit card payments.

**47.** For internet or telephone applications to cash in made via the Service, repayment will be made by electronic transfer to the nominated bank account (see paragraph 53).

**48.** For postal applications to cash in, repayment will normally be made by electronic transfer to the nominated bank account. However in certain circumstances we may accept requests for repayment to be made by crossed warrant (see paragraphs 60 and 61).

### Penalty

**49.** Except where paragraph 50 applies, a penalty equivalent to 90 days' interest on the sum requested, at the interest rate the Bond is earning, will be deducted from the repayment. This penalty also applies to Bonds held for less than 90 days, and this means that if a Bond holder cashes in an entire Bond that they have held for less than 90 days, they will get back less than they originally invested.

**50.** No penalty will be charged:

- (a) where a Bond is cashed in at the end of its original term, or at the end of any further term (see paragraph 76), and we received the instruction to cash in by the end of that term;
- (b) where an instruction to cash in is made after the death of a Bond holder;
- (c) where a Bond is cashed in as a result of a detrimental change to the terms and conditions applying to the Bond (see paragraph 110).

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

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

### Repayments by electronic transfer

**53.** Where repayment is to be made by electronic transfer, repayments will normally be made to a UK bank account (including an NS&I Direct Saver) or building society account in the Bond holder's name, or in the name of the person with parental responsibility. The account to receive

such repayments must be nominated at the time of the application to invest. Any applications to invest that do not contain nominated bank account details will be rejected.

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

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

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

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

**58.** Once we have initiated the electronic transfer, the date of repayment, for the purposes of these terms and conditions, will be considered to be the date on which, in the normal course, the requested amount would be credited to the specified bank or building society account.

**59.** Where an electronic transfer is initiated properly we will not be liable for:

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

### Repayments by crossed warrant

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

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

### Amount due when cashing in the entire Bond

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

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

**64.** The amount due when a Bond is cashed in between anniversary dates will be the capitalised value of the Bond (see paragraph 17) (or the original Bond value if the Bond



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has been held for less than one year) plus interest earned at 1/365th of the annual interest rate for each day held since the last anniversary date (or date of investment if the Bond has been held for less than one year) less any penalty deducted (see paragraphs 49 and 50).

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

### Repayment of Bonds by NS&I

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

- (a) we reasonably think any of the persons named in the application have provided false information;
- (b) we reasonably suspect that the Bond is being held for an illegal purpose;
- (c) the applicant who applied to purchase the Bond was not entitled to purchase it, or the Bond holder is not entitled to hold it;
- (d) the Bond holder's holding exceeds the maximum allowable (see paragraph 37) (to the extent that the holding exceeds the maximum allowable in any one Issue);
- (e) the Bond holder, or the nominated parent or guardian, fails to comply, in a material manner, with the terms and conditions for holding the Bond;
- (f) the Bond has reached its maturity date and the Treasury has decided that it is not eligible to earn interest for a further term (see paragraph 76); or
- (g) we have any other valid reason to do so.

### Giving us instructions

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**67.** Instructions can be given:

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

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

**69.** We may refuse to act on instructions if:

- (a) we reasonably believe that they were given by a person who was not entitled to give us instructions;
- (b) we reasonably suspect fraudulent activity in relation to the Bond;

(c) the instructions are unclear, incomplete or not in the required form;

(d) in carrying out the instructions, we might thereby act contrary to a law, regulation, code or other duty which applies to us;

(e) it would cause any limit or restriction which applies to a Bond holding to be exceeded; or

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

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

### Statements and investment records

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

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

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

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

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

### **Retention after the fixed rate term**

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

**77.** The interest rate set by the Treasury for any further term may be different from the interest rate earned previously on the Bond. Typically, the Treasury will decide to set a different interest rate to enable us to respond proportionately to a change, or an anticipated change, in:

- (a) gilt prices, the Bank of England's base rate or any other publicly listed market rate;
- (b) the interest rates paid or charged by other banks and financial institutions;
- (c) the Government's funding requirements;
- (d) the costs we reasonably incur in providing Bonds;
- (e) the law or a decision by an ombudsman;
- (f) regulatory requirements; or
- (g) any codes of practice to which we subscribe.

**78.** If a Bond is eligible to earn interest for a further term, and we have not received a request to cash in that Bond before the maturity date, the rate of interest set by the Treasury for the further term will be applied automatically and will be guaranteed for the whole of the further term.

**79.** When a Bond begins a further term in accordance with paragraph 76, the terms and conditions applicable to that Bond for that further term shall be those specified on NS&I's website, at the point at which that further term begins, for the Issue which is current at the time. This may mean that the terms and conditions applicable to the Bond will change. If we notify the nominated parent or guardian that the Treasury has decided that the Bond is eligible to earn interest for a further term, that notice will include a copy of the terms and conditions that will apply for that further term. The nominated parent or guardian should contact NS&I if they do not receive notice of the options when the Bond is due to mature.

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

### **Telephone and internet service**

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

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

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

**84.** 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.



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**85.** 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.

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

**87.** The registered user will be responsible for any instructions received by us between the time they pass the security procedure until the time that they exit from the Service. 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.

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

**89.** If 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.

**90.** While we will make reasonable efforts to provide the Service, we will not be liable for any failure to provide the Service, in part or full, for any cause that is beyond our 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.

**91.** 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, or nominated parents or guardians, as soon as practicable if we take such action. We may also end the Service or any part of the Service at any time by giving registered users reasonable notice.

### Liability

**92.** If a Bond holder, or a nominated parent or guardian, tells us that an application to cash in was not authorised, we will carry out an investigation. As soon as we are reasonably

satisfied that the application to cash in was unauthorised, we will, subject to paragraph 93, refund the amount repaid and return any relevant Bonds to the position they would have been in if the unauthorised repayment had not taken place. This means that, in addition to the amount of the unauthorised repayment, we will refund any interest on the amount incorrectly paid but we will have no further liability.

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

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

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

**96.** We will not make a refund in relation to paragraph 94 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

**97.** 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.

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**98.** 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) 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.

**99.** 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.

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

**101.** The NS&I website uses 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.

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

**103.** 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 any previous addresses), which accounts or investments you hold and the accounts or customer numbers. There may be a small charge for this service - if so, we will make this clear.

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

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

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

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

### Complaints

**106.** If we make a mistake we'll aim to put things right quickly and without fuss, and we have a procedure designed to resolve complaints effectively and fairly. You can make a complaint, by calling us free on **0800 092 1286**, by visiting **[nsandi.com](https://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](https://nsandi.com)**

**107.** If you feel that we have not resolved your complaint to your satisfaction, you may be able to refer it to the Financial Ombudsman Service, an organisation set up by law to give consumers a free and independent service for resolving disputes. You can call them on **0800 023 4567** (calls to this number are normally free) or **0300 123 9123** (calls to this number are charged at the same rate as 01 or 02 numbers on mobile phone tariffs). You can also visit **[financial-ombudsman.org.uk](https://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>**



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## Changes to these terms and conditions

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

**109.** Typically, changes will be made pursuant to paragraphs 79 and 108:

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

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

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

## Regulations

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**112.** The Regulations stated in paragraph 2 can be accessed at [www.legislation.gov.uk](http://www.legislation.gov.uk), and on our website at [www.nsandi.com](http://www.nsandi.com)

## Law and jurisdiction

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

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

**115.** Subject to paragraphs 116 and 117, the courts of England are to have exclusive jurisdiction to settle any dispute (including claims for set off and counterclaims) which may arise in connection with these terms and

conditions or any agreement made on the basis of them and which, subject to the Regulations, falls to be determined by a court of law.

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

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

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## Children's Bonds

NS&I

Sunderland

SR43 2SB

Telephone **08085 007 007**

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

1 December 2016

**PLEASE KEEP FOR REFERENCE**

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## Always here to help you

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**Find us online**  
[nsandi.com](https://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, Sunderland SR43 2SB**

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

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### **Having trouble reading 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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