

Key features and customer agreement

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Please keep this document
for your reference

**NS
&I**

NS&I Income Bonds

Key features

What are NS&I Income Bonds?

Income Bonds pay you a monthly income at a variable interest rate. Income Bonds have no set investment term – you can cash them in at any time with no notice and no penalty.

How is the income paid:

We pay your income directly into your nominated UK bank or building society account, or an NS&I Direct Saver or Investment Account, on the 5th of each month (or the next banking day). We round each month's interest up or down to the nearest penny. If it rounds down to zero pence, you won't receive a payment that month.

The account's key features:

- Can be managed online, by phone and by post.
- Minimum age 16.
- Can be held in one name or two names jointly, or in trust.
- Minimum deposit £500.
- Maximum holding £1 million per person.
- Minimum withdrawal £500. No notice needed. At least £500 must remain in your account.
- Interest is taxable, paid gross. Taxpayers may need to declare the interest to HM Revenue and Customs (HMRC), depending on their circumstances.

Please also read the summary box

Personal Savings Allowance

In 2016 HMRC introduced a tax-free Personal Savings Allowance of £1,000 on the interest you earn on your savings (or £500 for higher rate taxpayers). Find out more at [nsandi.com/tax-and-savings](https://www.nsandirect.com/tax-and-savings) The interest you earn on your Income Bonds counts towards your Personal Savings Allowance, together with any interest you earn from other taxable savings.

NS&I Income Bonds

Customer agreement

28 February 2022

This agreement is in two parts. It contains the account terms for our Income Bonds, and the general terms for saving with NS&I. Please read both parts carefully. If there are any differences between the account terms and general terms, then the account terms will apply. If there's anything you're not sure about, just get in touch and we'll be happy to help.

Account terms

About our Income Bonds

What are Income Bonds?

Our Income Bonds provide you with a monthly income from the money you invest. You have easy access to your money and you can manage your account online, by phone and by post.

Who can open an Income Bonds account?

- To open an Income Bonds account, you must be at least 16 years old. You can open an Income Bonds account for yourself, or with another person as a joint account. You can also open one for a trust as a trustee (including as a corporate trustee), either by yourself or jointly with other trustees. The beneficiaries of the investment must be named individuals.

Any entity that held an Income Bonds account up to and including 1 January 1990 may continue to hold and invest in the account.

You can open as many Income Bonds accounts as you like, but there is a holding limit (see 'How much you can deposit').

How to open an Income Bonds account

- If you're opening an account, you can apply:
 - online or by phone using your UK debit card
 - by post using a personal cheque drawn on your UK bank or building society account, or a banker's draft or building society branch cheque.

You can also switch money from another NS&I account to an Income Bonds account. To find out how to switch, visit nsandi.com/switching or call us.

If you're an attorney or deputy applying for an account on behalf of another person, you will need to apply by post if your authority is not already registered with us. (Please see General terms – 'Applying as an attorney or deputy or as a trustee'.)

If you're applying for an account on behalf of a trust, you can only apply by post.

Once we accept your application, you'll receive confirmation that your account is open and the amount of your opening balance.

Making further deposits

Whenever you want, you can pay money in:

- online or by phone using your UK debit card
- by electronic transfer (including standing order)
- by post using a personal cheque drawn on your UK bank or building society account, a banker's draft or building society branch cheque, or a postal order.

If you make a deposit by post, you must include a completed deposit form. You can obtain a form at nsandi.com/forms or by calling us.

If we don't receive the completed form, we'll return the payment.

How much you can deposit

- Each deposit must be at least £500.
- Each person can hold up to £1 million in Income Bonds accounts.

If the total balance of your Income Bonds accounts reaches your personal holding limit, you can't deposit more money into Income Bonds. If you try to make a deposit which would take you over the

limit, we'll return the whole deposit to you.

Joint accounts

Half of the balance in a joint Income Bonds account counts towards each account holder's personal holding limit.

Trusts

There is a holding limit of £1 million for each trust. If you hold an amount as a trustee, this amount doesn't count towards your personal holding limit.

Inherited accounts

If you inherit money held in an Income Bonds account, you can hold it in an Income Bonds account in your name even if it takes you over the personal holding limit. You won't be able to deposit more money into Income Bonds accounts as long as you remain over the personal holding limit.

Taking money out

You can withdraw at any time

- You can withdraw your money whenever you want to. The minimum you can withdraw is £500, and you must leave at least £500 in your account (unless you are closing it).

When you give us a withdrawal instruction (online, by phone or by post) we will treat this as you giving us your consent to make the payment. You cannot stop or change the payment once you've given your instructions (unless we agree to this in writing).

You can switch to another NS&I account

You may be able to move some or all of your money directly to one or more new NS&I accounts.

Interest

Each month we calculate the interest earned on your Income Bonds account, based on the balance at the end of each day. (We calculate the daily rate by taking the current yearly rate and dividing by 365.) We then round that month's interest up or down to the nearest penny. Provided the interest earned is at least one penny after rounding, we pay it to your nominated account on the 5th day of the month. If the 5th is not a banking day, we will pay the interest on the next banking day.

If we receive an application to invest on or after the 20th of any month, we might not be able to make the first interest payment on the 5th day of the following month. If this happens we will pay all the interest the Income Bonds account has earned from the date of investment on the next interest payment date.

- You can find out the interest rate at nsandi.com/income-bonds, or by calling us. The interest rate is set by HM Treasury and can change from time to time.

We pay interest without deducting tax. The interest is taxable income for the purposes of UK income tax, so you may need to declare it.

If you withdraw money after we have started to process your monthly interest payment, you may receive an overpayment of interest. If this happens, we will deduct the overpayment from your next interest payment.

Keeping track of your Income Bonds

You can check your balance and view your transactions at any time by logging in at nsandi.com or by calling us. Unless you have chosen to be paperless, we may send you a transaction record in the post after each transaction.

We will send you a statement in April each year showing your monthly interest payments and any transactions you've made since the date you opened your Income Bonds account or the date of your previous annual statement.

If you close your account, we will send you a closing statement.

If you change your mind within the first 14 days

If you change your mind, you can cancel the Income Bonds account within 14 days of receiving confirmation that your account is open. You can do this online or by phone, or you can write to us.

If the account holder dies

We can't accept any more deposits

If the account holder (or last surviving holder of a joint account) dies, we won't be able to accept any more deposits into the account. The balance will become part of the account holder's estate. The account will continue to earn interest.

Income Bonds for children

We no longer offer Income Bonds for children under 16. However, if an account was opened for a child on or before 5 April 2013 and the child was at least 7 years of age on that date, the child can manage the account themselves. Although not required to do so, the child can ask for interest and withdrawals to be paid directly to a person responsible for them.

If an account was opened for a child on or before 5 April 2013 but the child was under 7 years of age on that date, it must be managed by a person responsible for the child (in the Director's discretion). Interest earned on such accounts (and any withdrawals) will only be paid into a nominated account in the child's name or in the name of the person managing the Income Bonds account.

When the child turns 16 they will be responsible for managing their accounts, and we will only accept instructions from the child. We'll send any correspondence directly to the child at the last address we have for them. We will ask for their signature and other documents when they first communicate with us. Interest payments will not be made to anyone other than the child once they reach 16 years of age.

Income Bonds and the law

Income Bonds are UK Government securities issued under the National Loans Act 1968, and the National Savings (No 2) Regulations 2015. We have tried to make sure that there are no conflicts between this customer agreement and the legislation but, if there is a conflict, the legislation will take precedence.

General terms

Saving with NS&I

These general terms set out what you can expect of us, and what we need you to do, so that everything runs smoothly when you save with NS&I. Because the general terms aren't specific to any particular account, some sections may not apply to the account you have. Please read the account terms in full to understand what does apply.

Becoming a customer and opening an account with NS&I

When you first apply to open an account with NS&I, you are asking to enter into an agreement with us.

- We'll need to confirm a few things before we accept your application. Most importantly, we're required by law to check your identity and address. We may check your identity and address again at any time.

We normally use credit reference agencies to do this. If we do need documents from you we'll tell you what we need, and by when. If you need to send them by post, you may want to use a registered mail service. We're not responsible if they're lost or delayed.

Your agreement with us starts when we tell you that we've accepted your application (unless we give you a different start date). We will treat the account as being opened on the date we received your deposit – if it's another date, we'll tell you. The agreement ends when you stop being our customer under the terms of this agreement.

We accept most applications, but sometimes we reject an application, for example if you haven't provided all the information we need. If we reject your application, we'll refund your money.

If you are applying on behalf of someone else, you confirm that they agree for you to do this and that you've shown them this agreement.

You are not eligible to open an account if you are an undischarged bankrupt or don't have legal capacity.

How you can manage your account with us

Generally, our accounts can be managed online, by phone or by post. To find out how you can manage your account, check the account terms.

Managing accounts online and by phone

- You'll need to be registered to manage your account online or by phone. If you apply for an account online or by phone, we will register you at the same time – or you can register by visiting our website. We'll ask you to choose a password and provide other security information. You can change your password and other security information online or by calling us.

We aim to provide our online service 24/7, but there will be times when it is unavailable. This might be when we need to carry out maintenance or upgrades, or if we have technical problems, which interrupt the service. If there's a problem, we will do our best to fix the service as soon as possible.

We may withdraw or restrict the service if we need to do so to protect our customers. If this happens, we will let you know as soon as possible, either personally or by putting a message on our website. We may end all or part of the service at any time by giving you reasonable notice.

We may introduce new ways of interacting with us, such as apps for smartphones and tablets. They may have their own terms of use, which we'll ask you to read and accept before you start using them.

Managing accounts by post

If you manage an account by post, there will be forms to use. You can download and print most of our forms from our website, or you can call us and we'll send you any form you need. You must provide all the details we ask for on the form. If anything is missing, unclear or incorrect, we may not be able to act on your instructions straight away, as we'll need to contact you for more information.

- If you send a cheque or banker's draft to invest, please make it payable to 'NS&I'. The cheque must be drawn on a personal UK bank or building society account in your own name.

Applying as an attorney or deputy or as a trustee

If you act as an attorney or deputy for another person, your first application to open an account must be by post (even for online or phone accounts). You'll need to enclose the original (or a certified copy) Power of Attorney or Court of Protection Order. You can call us to ask for an application form, or download it from our website. Once the account is open, you can view it and may be able to make certain transactions online or by phone – see nsandi.com/poa for details. You will also be able to open other accounts online or by phone for the same person.

If the account terms allow, you can open an account as a trustee either by yourself or jointly with other trustees. If there are more than two trustees, we may require all trustees to give their details. For trust accounts, we normally accept instructions only if they are signed by all the required signatories. This means that trustees won't be able to use our online and phone service.

Keeping each other informed

We will give you information about your accounts and provide regular statements. If we need to contact you, we will call you, write to you by email, text message or letter, or contact you through our online service.

- You must tell us whenever you change your name, address, phone number, email address, or nominated account. You can update most of these details online or by contacting us using the details at the end of this agreement.

Changes to this agreement

We may change this agreement at any time. Unless the account terms say otherwise, we will usually give you two months' notice before a change takes place. If you don't agree to the change, you can close or transfer your account before the change comes into effect. The new terms will apply if your account remains open.

- You can find the most up to date version of this agreement at nsandi.com, or ask us and we'll send you a copy.

About our interest rates

How rates are set

Our interest rates and Premium Bonds prize fund rate are set by HM Treasury and may change from time to time.

Changes typically take into account:

- gilt prices, the Bank of England's base rate, and other publicly-listed market rates
- interest rates paid or charged by other financial institutions
- the government's borrowing requirements
- our administration costs
- decisions by relevant ombudsmen
- regulatory requirements
- any codes of practice we subscribe to.

Remember that if inflation is higher than the account interest rate, it will reduce the true value of the money in your account over time.

Changes to variable interest rates

When our rates change, we'll update our website and literature.

If the interest rate for your account goes down, we'll contact you personally at least two months before it takes effect. If you don't agree to the new interest rate, you will be able to close or transfer your account at any time before the change. The new interest rate will apply if your account remains open.

We won't contact you personally if the interest rate for your account goes up.

Changes to fixed interest rates

From time to time we will introduce new issues of fixed rate accounts with different interest rates. We will not usually give advance notice of this.

If the interest rate for your account is fixed for a period of time, then no interest rate changes will apply during that period. At the end of that period, we may offer you the opportunity to renew your account for another fixed term. If so, the interest rate may be different.

Changes to Premium Bonds prize fund rate

We will give advance notice of changes to the prize fund rate, prize draw structure and odds by publishing adverts in a range of newspapers and by updating our website.

Paying money in

All deposits you make must be in pounds sterling, sourced from a UK bank or building society account in your name. If using a debit card, this must be issued by a UK bank or building society and belong to an account in your name. ('UK bank' means a credit institution as defined within the FCA Handbook Glossary.) The date of each deposit will be the date we receive your cheque, card authorisation or bank transfer. We don't accept aggregator payment cards, credit cards or money from non-UK financial institutions.

How long deposits take to clear

You can only take money out if you have enough cleared funds in your account. An electronic transfer deposit received by 18:30 on a banking day will normally clear no later than the next banking day. Debit card and cheque deposits will clear no later than the seventh banking day after being received.

How we make payments to you

- When you make a withdrawal or receive a payment from us, we usually pay the money into your nominated account.

Your nominated account

For each account you have with us, you will need to give us the sort code and account number for a personal UK bank account or building society account in your name. We refer to this as your 'nominated account'.

If we don't have your nominated account details, we may ask for them before we pay you. Alternatively, we may pay you by warrant (like a cheque) which we'll send by post. In this case, we'll treat the date of payment as the date on the warrant.

How long it takes to receive your payment

The time it takes to receive your payment depends on which NS&I account you have, how much you want to withdraw and how you give us your withdrawal instruction.

Payments out of Direct ISA, Direct Saver, Income Bonds, and Investment Account

- Giving your instruction online or by phone:
The payment will normally reach your nominated account by the end of the first banking day after the day we receive your instruction.
- Giving your instruction by post:
When we receive your instruction on a banking day before 13:00, we'll process it on the next banking day. The payment will then normally reach your nominated account on the banking day after that. If we receive your instruction after 13:00 on a banking day, or on a Saturday, Sunday or bank or public holiday in England and Wales, we'll act as if we received it on the following banking day.
- Withdrawing larger amounts:
For withdrawals above a certain amount (see nsandi.com/payments or call us), the time it takes to receive your payment will be the same as for other NS&I accounts, as outlined below.

Payments out of other NS&I accounts

- Giving your instruction online or by phone:
When we receive your instruction on a banking day before 20:00, we'll process it that day. The payment will normally reach your nominated account two banking days after that. If we receive your instruction after 20:00 on a banking day, or on a Saturday, Sunday or bank or public holiday in England and Wales, we'll act as if we received it on the following banking day.
- Giving your instruction by post:
When we receive your instruction on a banking day before 13:00, we'll process it on the next banking day. The payment will then normally reach your nominated account two banking days after that. If we receive your instruction after 13:00 on a banking day, or on a Saturday, Sunday or bank or public holiday in England and Wales, we'll act as if we received it on the following banking day.

Protecting your money

We take steps to keep your money safe and your accounts secure, and ask that you do the same.

Tell us if something doesn't look right

Let us know immediately if anything doesn't look right on any information we provide to you, if you notice any suspicious activity on your account, or if you think your security has been compromised.

Looking after your security information

If you manage your account online or by phone, we use your password and security information to identify you. We will treat instructions as genuine if the person giving the instructions has used the correct password and security information. For your own security, you must keep your password and security information safe and take all reasonable steps to prevent anyone else from accessing your accounts.

For example:

- don't let anyone know your password and security information (and we will never ask for the whole password over the phone)
- don't keep your password and security information in a way that someone else could easily find them out
- don't leave your device unattended while you are logged in to our service.

If you believe someone else has your security information

If you believe or suspect that someone else has found out your password or security information, go online and change your password and other security information straight away.

If you know or suspect that your password or other security information that you use to manage your account online or by phone have been lost, stolen or used by someone else without your permission, you must tell us as soon as you can by calling us. We may ask for this to be confirmed in writing.

We will never contact you to ask you to tell us your password or security information. If you receive a request like this from anyone, even if they are using our name and logo, do not provide any information to them. Instead, you must report this to us immediately.

If we suspect fraud or security threats

We will contact you by phone or post if we suspect fraud or security threats to your account, unless we're prevented by law.

If there's a problem with a payment

Please tell us if there's a problem with a payment. If you believe there has been a payment from your account that you didn't authorise, or if you believe we haven't properly made a payment you have instructed us to make, you must tell us as soon as you can – please use the contact details at the end of this agreement. We'll do everything we can to put things right.

If there's a payment you didn't authorise

If you didn't authorise a payment from your account, we will normally return the account to the position it would have been in had the unauthorised payment not happened. This includes refunding the payment, and paying any interest or prizes you've missed out on. We will not have any further responsibility to you.

We will not make any refunds or payments if the unauthorised payment happened because either:

- you didn't take reasonable care to comply with 'Protecting your money'
- your password or security information had been lost or stolen and you didn't tell us as soon as you could.

However, we will normally refund unauthorised transactions:

- that happen after you tell us that your password or security information has been lost or stolen
- if it's our fault that you haven't been able to tell us that there is a problem.

In no circumstances will we make a refund or payment if we suspect you're involved in fraud.

We will contact you by phone or post if there are suspected or actual fraud or security threats to your account, unless we're prevented by law.

If you don't receive a payment

If we make a payment from your NS&I account to your nominated account and you don't receive it, we'll refund the money to your NS&I account as soon as we can, together with any interest you would have earned on the money had it not left the NS&I account. However, we won't do this if you gave us the wrong sort code and/or account number, or if we can show that the payment did in fact reach your nominated account.

If you give us incorrect details

If you provided us with the wrong details for your nominated account and a payment goes astray, we'll do what we can to retrieve the money and let you know the outcome, but we will not be responsible. If we can't recover the money, you can ask us for all available relevant information so you can file a legal claim for repayment. We will provide this information to you (except where it would be unlawful for us to do so).

If we don't make money available in the times we have agreed

If you pay money into an NS&I account but we don't make it available when agreed, we will back-date the credit to your account so that it is as if you received the money when you should have done.

If you receive money by mistake

If money gets paid into your account by mistake, you must tell us. We can take it back and return it to the payer. If we are unable to get the money back from you, we may have to give the payer relevant information to help them get the money back from you. This includes giving them your personal information.

Carrying out your instructions

We'll do our best to carry out your instructions without delay. There may be some situations, however, when we can't do this.

Stopping, suspending or restricting online and phone payments

If we identify a risk to the security of your account, we may stop, suspend or restrict your ability to make payments out of your account online or by phone. An example of a security risk could be if we suspect that someone else is attempting to access your account without your permission.

We will try to let you know before we stop, suspend or restrict your ability to make withdrawals online or by phone, and we'll give you our reasons for doing this. We will use the contact details we have for you.

We will not tell you if there are legal reasons that prevent us, or if telling you would compromise security.

We will let you make withdrawals online or by phone normally again as soon as we believe that there is no longer a risk to the security of your account.

When we can refuse instructions

We may refuse to carry out your instructions (including an instruction to make a payment) if:

- we suspect fraud
- we believe the person giving the instructions is not entitled to give them
- the instructions are unclear, incomplete, or if you do not give them in the way we ask you to
- carrying out the instructions would place us in breach of law, regulation, or code of practice.

We'll always try to tell you if this happens, and why – unless we're legally prevented from telling you.

When we can close your account

We may close your account at any time by giving you at least two months' written notice.

In some situations, we can decide to close your account immediately.

We may do this if:

- we think that anyone named on your application has provided false information
- we suspect that you are using your account for an illegal purpose
- you were not entitled to apply for, or hold, the account
- you have not kept to this agreement
- we have any other valid reason for doing so.

We'll let you know if we have to do this.

Joint accounts

Each account holder can give instructions independently

If an account is held jointly, the account is the joint property of both account holders. This means that both account holders hold the account and own the money in it. Each account holder can independently:

- use the account with their own password and security information
- make deposits and withdrawals
- give any other instruction about the account.

For the Investment Account, you can choose to manage the account together or independently.

Correspondence

We write to the account holder named first on the application to open the account.

To remove an account holder from a joint account

You both need to agree if you want to remove one of the account holders.

If a joint account holder dies

If one account holder of a joint account dies, the surviving account holder will get ownership of the account, and they will be able to manage the account on the same terms as when it was jointly held.

Disputes

If either of you tells us of a dispute between you, or asks that we should only accept instructions from both of you, you will no longer be able to use our online and phone service to give us instructions. Instead, you'll only be able to give us instructions by post, signed by both of you. Once you both let us know that the dispute has been resolved, you may be able to use our online and phone service again.

How we use your information

We treat all the information you give us about you and others as private and confidential.

We respect your right to privacy and understand the importance of protecting the personal information that we hold. See our privacy notice for full details – available at nsandi.com/privacy-notice or by calling us.

If you're not happy about something

Complaints

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.

How to complain

- call us on 0800 092 1286 (free from the UK)
- visit nsandi.com/contact-us-email
- write to the Customer Care Team at the address at the end of this agreement.

If your complaint is not resolved to your satisfaction

If you disagree with a decision we have made, you may be able to refer your complaint to the Financial Ombudsman Service free of charge. This is 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** (free from the UK) or
- **0300 123 9123** (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.

If you need more information

To find out more about our complaints process, download our complaints brochure at nsandi.com/complaints, or contact us and we'll send one to you.

About this agreement

Our agreement (including any non-contractual obligations arising out of it) will be governed by and interpreted in accordance with English law. The courts of England have exclusive jurisdiction to settle any dispute arising in connection with any agreement between you and us (including in relation to any non-contractual obligations). Each agreement is concluded in English.

About NS&I

NS&I (National Savings and Investments) is both a government department and an executive agency of the Chancellor of the Exchequer, and our role is to provide finance for the government of the day by offering accounts to personal customers. NS&I acts under the authority of the Director of Savings – a role created by law to carry out the business of the National Savings Bank. Where we say ‘we’, ‘us’ or ‘our’, we mean NS&I acting as the Director of Savings (or under his or her authority). These general terms and the terms for all our accounts are made under the National Loans Act 1968 or the National Savings Bank Act 1971. NS&I’s head office is at 1 Drummond Gate, Pimlico, London, SW1V 2QX.

NS&I is backed by HM Treasury, the government’s economic and finance ministry. HM Treasury maintains control over public spending, sets the direction of the UK’s economic policy and works to achieve strong and sustainable economic growth. It is based at 1 Horse Guards Road, London SW1A 2HQ.

How to contact us

You can contact us using the details below:

NS&I

Sunderland

SR43 2SB

Tel: **08085 007 007**

Visit our website: [**nsandi.com**](https://www.nsandi.com)

NS&I Income Bonds

Contact and help



Visit our website at nsandi.com



Phone us on **08085 007 007**

We're here in the UK every day. Calls from the UK are free. We may record your call to help us give you the best service.



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



Write to us at **NS&I, Sunderland SR43 2SB**

Need a different format?

Ask us for a version in:

- Braille
 - Audio tape
 - CD
 - Large print
-

Hard of hearing or speech impaired?

You can get in touch with us through the Text Relay Service: just dial **18001** from your textphone then enter our main phone number. Or call our Minicom service direct on **0800 056 0585**.