1989 No. 2045

SAVINGS BANKS

The National Savings Bank (Amendment) (No. 2) Regulations 1989

Made - - - -	*6th November 1989*
Laid before Parliament	*7th November 1989*
Coming into force	*1st January 1990*

The Treasury, in exercise of the powers conferred on them by section 2 of the National Savings Bank Act 1971(a) as extended by sections 7(2) and 8(1) of that Act and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation and Commencement

1. These Regulations may be cited as the National Savings Bank (Amendment) (No. 2) Regulations 1989 and shall come into force on 1st January 1990.

Amendment of principal Regulations

2. The National Savings Bank Regulations 1972(b) shall be amended as follows:

(a) in regulation 5(1), by adding after the words "his age" the words:

"provided that no account shall be opened after 31st December 1989 in the name of a person who is not an individual other than an account opened under paragraph (2) below in the name of a trustee, an account opened under regulation 9 below in the joint names of the trustee and the beneficiary, or an account opened under regulation 12(4), 13, 14 or 15 below (government departments and other public bodies.";

(b) in regulation 5(2) by adding after the words "without specifying a trust" the words:

"provided that no account shall be opened after 31st December 1989 by and in the name of a trustee—

(a) except in the names of not more than two trustees of the trust; and

(b) unless there are not more than two beneficiaries of the trust both of whom are individuals (but a person who has an interest which will only take effect on the death of another person shall not be regarded as a beneficiary for this purpose).";

(a) 1971 c.29; section 2 was amended by section 184(1) of the Finance Act 1989 (c.26), section 7(2) was amended by paragraph 6 of Schedule 20 to the Finance Act 1982 (c.39) and section 8(1) was amended by paragraph 7 of that Schedule; there are other amendments not relevant to these Regulations.

(b) S.I. 1972/764, as amended by S.I. 1984/9 and other instruments not relevant to these Regulations.

(c) by substituting the following paragraph for regulation 6(4):

"(4) During any period while a depositor is a minor under the age of seven years—

(a) in respect of any account opened before 1st January 1990 the Director of Savings may, where it is proved to his satisfaction that any deposits in that account are urgently needed for maintenance, education or benefit of the minor or that in any other circumstances it is expedient so to do, in his discretion pay the deposits, or any part thereof, to any person whom he shall judge proper to receive the same; or

(b) in respect of any account opened after 31st December 1989 the Director of Savings may in his discretion pay the deposits in that account, or any part thereof, to any person who satisfies him that he is a proper person to receive payment.";

(d) by inserting after regulation 8(1) the following paragraph:

"(1A) No new account shall be opened in the names of more than two persons after 31st December 1989.";

(e) by inserting in regulation 9(1), after the words "the beneficiary" the words:

"provided that no account shall be opened after 31st December 1989 unless the only beneficiary of the trust is a sole individual (but a person who has an interest which will only take effect on the death of another person shall not be regarded as a beneficiary for this purpose).";

(f) by inserting after regulation 10(5) the following paragraph:

"(6) This regulation shall have effect only in relation to an account opened before 1st January 1990.";

(g) by inserting after regulation 11(4) the following paragraph:

"(5) This regulation shall have effect only in relation to an account opened before 1st January 1990."; and

(h) by inserting after regulation 12(3) the following paragraph:

"(3A)Paragraphs (1) to (3) of this regulation shall have effect only in relation to an account opened before 1st January 1990.".

David Lightbown
Kenneth Carlisle

6th November 1989 — Two of the Lords Commissioners of Her Majesty's Treasury

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EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the National Savings Bank Regulations 1972 with effect from 1st January 1990 to enable accounts to be opened only by a class of depositors which is narrower than the class presently entitled to open accounts under the Regulations. The maximum number of joint holders is reduced to two; trust accounts under regulation 5(2) may be opened where there are not more than two trustees, and not more than two beneficiaries both of whom must be individuals; trust accounts under regulation 9(1) may be opened where the beneficiary is a sole individual; and friendly societies, building societies, industrial and provident societies, charitable and other societies and corporations, will cease to be entitled to open accounts (other than as trustees). The Regulations also provide that in relation to accounts opened on or after 1st January 1990 deposits held by a minor under seven may be repaid to any person who satisfies the Director of Savings that he is a proper person to receive payments.

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