STATUTORY INSTRUMENTS

1985 No. 1875

SAVINGS BANKS

The National Savings Bank (Interest on Ordinary Deposits) Order 1985

Made - - -	*2nd December* 1985
Laid before Parliament	*6th December* 1985
Coming into Operation	*1st January* 1986

The Treasury, in exercise of the powers conferred on them by section 5(5) of the National Savings Bank Act 1971(**a**) and of all other powers enabling them in that behalf, hereby make the following Order:—

1. This Order may be cited as the National Savings Bank (Interest on Ordinary Deposits) Order 1985, and shall come into operation on 1st January 1986.

2.—(1) The rate of interest payable after 31st December 1985 on ordinary deposits in an account at the National Savings Bank shall be —

(*a*) 3 per cent. per annum; or

(*b*) 6 per cent. per annum in respect of any month in the relevant period, if—

(i) the balance of the account does not fall below £500 at any time during that month, and

(ii) the balance does not fall below £100 at any time during the relevant period.

(2) In paragraph (1) "the relevant period" means the period of twelve months beginning on 1st January 1986 and at any time thereafter the period of twelve months beginning on 1st January; and "month" means any one of such months.

3. The National Savings Bank (Interest on Ordinary Deposits) Order 1982(**b**) is hereby revoked.

T. Garel-Jones,
Ian B. Lang,
Two of the Lords Commissioners of Her Majesty's Treasury.

2nd December 1985.

(**a**) 1971 c.29; section 5 was amended by the Finance Act 1982 (c.39), Schedule 20, paragraph 4.
(**b**) S.I. 1982/1806.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order continues the two-tier interest rate structure for ordinary deposits in the National Savings Bank, introduced by the National Savings Bank (Interest on Ordinary Deposits) Order 1982. The standard rate of interest payable on such deposits will continue to be 3 per cent. per annum. Interest at the higher rate of 6 per cent. per annum will still be payable, but on a different basis. Beginning on 1st January 1986, the higher rate will be payable in respect of those months for which the balance of an account stands at £500 or more, provided a balance of £100 is retained throughout the period of a year.

SI 1985/1875
ISBN 0-11-057875-9

