STATUTORY INSTRUMENTS

1986 No. 2161

SAVINGS BANKS

The National Savings Bank (Interest on Ordinary Deposits) Order 1986

Made - - - - -	8*th December* 1986
Laid before Parliament	10*th December* 1986
Coming into Force	1*st January* 1987

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 1986, and shall come into force on 1st January 1987.

2. (1) The rate of interest payable after 31st December 1986 on ordinary deposits in an account at the National Savings Bank shall be—

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

(*b*) in the case of deposits in an ordinary account which is held by the depositor throughout the relevant period, 6 per cent. per annum in respect of any month in the relevant period, if the balance of the account does not fall below £500 at any time during that month.

(2) In paragraph (1) "the relevant period" means the period of twelve months beginning on 1st January 1987 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 1985**(b)** is hereby revoked.

Tony Durant,
Michael Neubert,
Two of the Lords Commissioners
of Her Majesty's Treasury.

8th December 1986.

(a) 1971 c. 29; section 5 was amended by the Finance Act 1982 (c. 39), Schedule 20, paragraph 4.
(b) S.I. 1985/1875.

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, contained in the National Savings Bank (Interest on Ordinary Deposits) Order 1985. 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 1987, the higher rate will be payable in respect of those months for which the balance of an account stands at £500 or more, provided that the account is kept open throughout the period of a year.

SI 1986/2161
ISBN 0-11-068161-4

