STATUTORY INSTRUMENTS

2009 No. 1263

NATIONAL DEBT

The National Savings (Unclaimed Moneys) Regulations 2009

Made - - - -	*19th May 2009*
Laid before Parliament	*20th May 2009*
Coming into force	
Regulations 1,2 and 3	*15th June 2009*
All other regulations	*1st September 2009*

The Treasury have issued sums to the National Debt Commissioners under section 10(2) of the National Debt Act 1972(**a**).

The Treasury make the following Regulations in exercise of the powers conferred upon them by sections 3(1)(a) and (bb), 3(2)(c) and (e), 10(2A), 11(1)(a) and 11 (2)(a) of that Act:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the National Savings (Unclaimed Moneys) Regulations 2009.

(2) Regulations 1, 2 and 3 shall come into force on 15th June 2009 and all other regulations shall come into force on 1st September 2009.

(3) In these Regulations—

"the 1955 Act" means the Miscellaneous Financial Provisions Act 1955(**b**);

"the 1972 Regulations" means the Premium Savings Bonds Regulations 1972(**c**);

"the 1976 Regulations" means the National Savings Stock Register Regulations 1976(**d**);

"the Commissioners" means the National Debt Commissioners; and

"special Director's account" has the same meaning as in section 8(4) of the National Savings Bank Act 1971(**e**).

(**a**) 1972 c.65; section 3(1) was amended by the Trustee Savings Banks Act 1976 (c.4), Schedule 5, paragraph 19(a)(i) and the amendment was saved by the Trustee Savings Banks Act 1981 (c.65), Schedule 7, paragraph 12; section 3(1)(bb) was inserted by the Finance Act 1989 (c.26), section 183(2); section 10(2A) was inserted by the Finance Act 2008 (c.9), section 163(1) and (3); there are other amendments to these sections but none are relevant. See section 2(1) of the National Debt Act 1972 for a definition of "the register".

(b) 1955 c.6.

(c) S.I. 1972/765, to which there are amendments not relevant to these Regulations.

(d) S.I. 1976/2012, to which there are amendments not relevant to these Regulations.

(e) 1971 c.29; section 8(4) was inserted by the Finance Act 2003 (c. 14.), section 208(1), (8) and (10).

National savings stamps and gift tokens

2.—(1) The Commissioners shall repay to the National Loans Fund out of their account of unclaimed redemption moneys(**a**) a sum equal to the balance held by the Commissioners in respect of sums paid to them under section 10(2) of the National Debt Act 1972 (unclaimed sums in relation to national savings stamps and gift tokens).

(2) Section 120(1), (2), (3) and (6) of the Finance Act 1980**(b)** shall apply to the sum repaid as if it were a sum received by the Director of Savings as an investment deposit and paid by the Director into the National Loans Fund.

(3) The Director of Savings shall credit an amount equal to the sum repaid in respect of national savings stamps to a special Director's account in the National Savings Bank.

(4) The Director of Savings shall credit an amount equal to the sum repaid in respect of national savings gift tokens to a special Director's account in the National Savings Bank.

British Savings Bonds

3.—(1) The Commissioners shall repay to the Director of Savings out of their account of unclaimed redemption moneys and their account of unclaimed dividends(**c**) a sum equal to the balance held by the Commissioners in respect of sums paid to them under regulation 43 of the 1976 Regulations in respect of British Savings Bonds.

(2) The Director of Savings shall apply the sum repaid by a transfer by way of investment deposit to a special Director's account in the National Savings Bank.

(3) Regulations 43 and 44 of the 1976 Regulations shall cease to apply to British Savings Bonds.

Premium savings bonds

4.—(1) The Commissioners shall repay to the Director of Savings out of their account of unclaimed dividends a sum equal to the balance held by the Commissioners in respect of sums paid to them under regulation 15 of the 1972 Regulations.

(2) The Director of Savings shall apply that sum by transferring, by way of investment deposit to an investment account in the National Savings Bank in the name of each person entitled, an amount equal to each amount deemed to be unclaimed under regulation 15 of the 1972 Regulations on a bond held by that person.

(3) Where the Director of Savings is unable, for any reason, to apply sums in accordance with paragraph (2), the Director of Savings shall apply those sums by transfer to a special Director's account in the National Savings Bank.

5. The 1972 Regulations are amended as follows—

(a) omit regulation 15; and

(b) after regulation 15 insert:

"15A Transfer of unclaimed moneys to the National Savings Bank

(1) The Director of Savings shall transfer sums equal to moneys due on a bond which, having been entrusted to the Director of Savings for repayment, remain unclaimed, to an investment account in the National Savings Bank in the name of the person in whose name the bond is held.

(2) Where the Director of Savings is unable, for any reason, to transfer sums in accordance with paragraph (1), the Director of Savings shall transfer those sums to a special Director's account in the National Savings Bank and the sums shall be held on behalf of the persons entitled to them.

(a) See section 5(6) of the 1955 Act.
(b) 1980 c.48.
(c) See section 5(5) of the 1955 Act.

(3) For the purposes of this regulation, moneys due on a bond shall be deemed to be unclaimed if a period of five years has elapsed since the due date, but the Director of Savings may treat any such moneys as unclaimed before the expiration of that period.".

Stock in the register

6.—(1) The Commissioners shall repay to the Director of Savings out of their account of unclaimed dividends a sum equal to the balance held by the Commissioners in respect of sums paid to them under regulation 43 of the 1976 Regulations.

(2) The Director of Savings shall apply that sum by transferring by way of investment deposit to an investment account in the National Savings Bank in the name of each person entitled an amount equal to each amount deemed to be unclaimed under regulation 43 of the 1976 Regulations.

(3) Where the Director of Savings is unable, for any reason, to apply sums in accordance with paragraph (2), the Director of Savings shall apply those sums by transfer to a special Director's account in the National Savings Bank.

7. The 1976 Regulations are amended as follows—

(a) omit regulations 43;

(b) after regulation 43 insert:

"43A Transfer of unclaimed moneys to the National Savings Bank

(1) The Director of Savings may transfer sums equal to all moneys due on stock which, having been entrusted to the Director of Savings for payment, remain unclaimed, to an investment account in the National Savings Bank in the name of the person in whose name the stock is held.

(2) Where the Director of Savings is unable, for any reason, to transfer sums in accordance with paragraph (1) above, the Director of Savings may transfer those sums to a special Director's account and the sums shall be held on behalf of the persons entitled to them.

(3) For the purposes of this regulation, moneys due on stock shall be deemed to be unclaimed if a period of five years, or in the case of redemption moneys two years, has elapsed since the due date, but the Director of Savings may treat any such moneys as unclaimed before the expiration of that period."; and

(c) omit regulation 44.

Dave Watts
Tony Cunningham

19th May 2009 — Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations require the National Debt Commissioners ("the Commissioners") to repay to the National Loans Fund unclaimed moneys currently held by them in respect of specified National Savings and Investments ("NS&I") products: national savings stamps, national savings gift tokens, British Savings Bonds, premium savings bonds and stock in the register (such as Income Bonds and Pensioners Guaranteed Income Bonds).

The Regulations provide that the sums repaid by the Commissioners shall be credited by the Director of Savings to an investment account in the National Savings Bank, where they will be held either in a Special Director's account (on behalf of the persons entitled) or in an investment account in the name of the persons entitled.

Once existing unclaimed moneys in all the specified products are transferred to an investment account in the National Savings Bank in accordance with these Regulations, customers will not lose their entitlement in respect of these sums. The liability of the Director to make repayment in respect of existing unclaimed moneys will become a liability in respect of investment deposits in the National Savings Bank and, by virtue of section 120(1) of the Finance Act 1980, that liability will be a charge on the National Loans Fund with recourse to the Consolidated Fund.

The Regulations also terminate the obligation of the Director of Savings to transfer unclaimed moneys in NS&I products to the Commissioners and they put an end to the statutory duties of the Commissioners to invest the sums transferred. Instead, where moneys are deemed to be unclaimed in respect of premium savings bonds and stock in the register after these Regulations come into force, the Director will be required to transfer those new unclaimed sums to investment accounts in the National Savings Bank. (National savings stamps, national savings gift tokens and British Savings Bonds are no longer on sale and no further provision is required in the Regulations in respect of these three products.)

The liability of the Director of Savings to make repayment in respect of any future unclaimed moneys transferred to the National Savings Bank will also be a liability to make repayment in respect of investment deposits in the National Savings Bank and that liability will be a charge on the National Loans Fund with recourse to the Consolidated Fund (by virtue of section 120(1) of the Finance Act 1980).

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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