

Premium Bonds

A winning way to save

Invest in Premium Bonds and you could win from
£25 up to £1 million in our monthly prize draw

And now you can invest up to £40,000



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**Welcome
to Premium
Bonds**



New dates from ERNIE's diary

We've got some winning news for you from ERNIE. Now you can invest more money in Premium Bonds. And every month ERNIE will make two people a millionaire.

You'll be joining over 21 million people across the UK if you choose to invest in Premium Bonds.

The good news is, the more Bonds that are in the draw, the bigger the prize fund.

❑ From 1 June 2014

You can invest £40,000 in Premium Bonds – up from £30,000

❑ From 1 August 2014

Every month two Premium Bonds holders will win £1 million

❑ From spring 2015

You can invest up to £50,000 in Premium Bonds

Premium Bonds explained

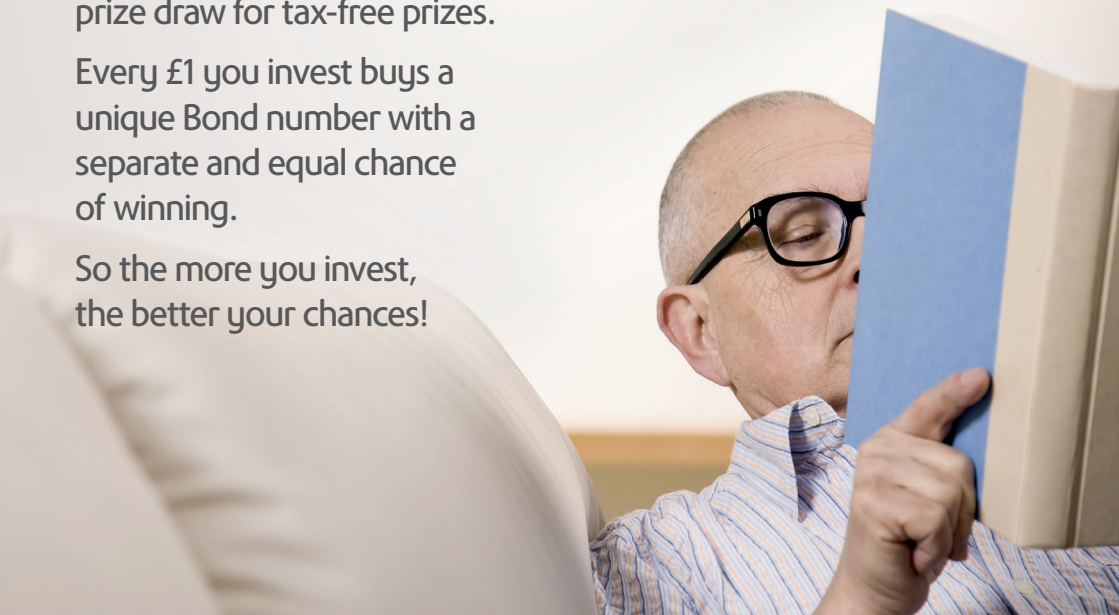
We pay out over one and a half million prizes every month to Bond holders whose numbers are chosen completely at random. The prizes range from £25 to £1 million and are free from UK Income Tax and Capital Gains Tax.

Premium Bonds are run by NS&I, so your money is 100% safe as we're backed by HM Treasury. You can get your money back whenever you like without having to give us notice. Remember that inflation can reduce the true value of your money over time.

Instead of paying interest, the interest rate funds a monthly prize draw for tax-free prizes.

Every £1 you invest buys a unique Bond number with a separate and equal chance of winning.

So the more you invest, the better your chances!



We've made some changes

We've been making changes to the way we run Premium Bonds over the last few years. Here are some of the features you may not be familiar with if you haven't bought Bonds recently.

What's new

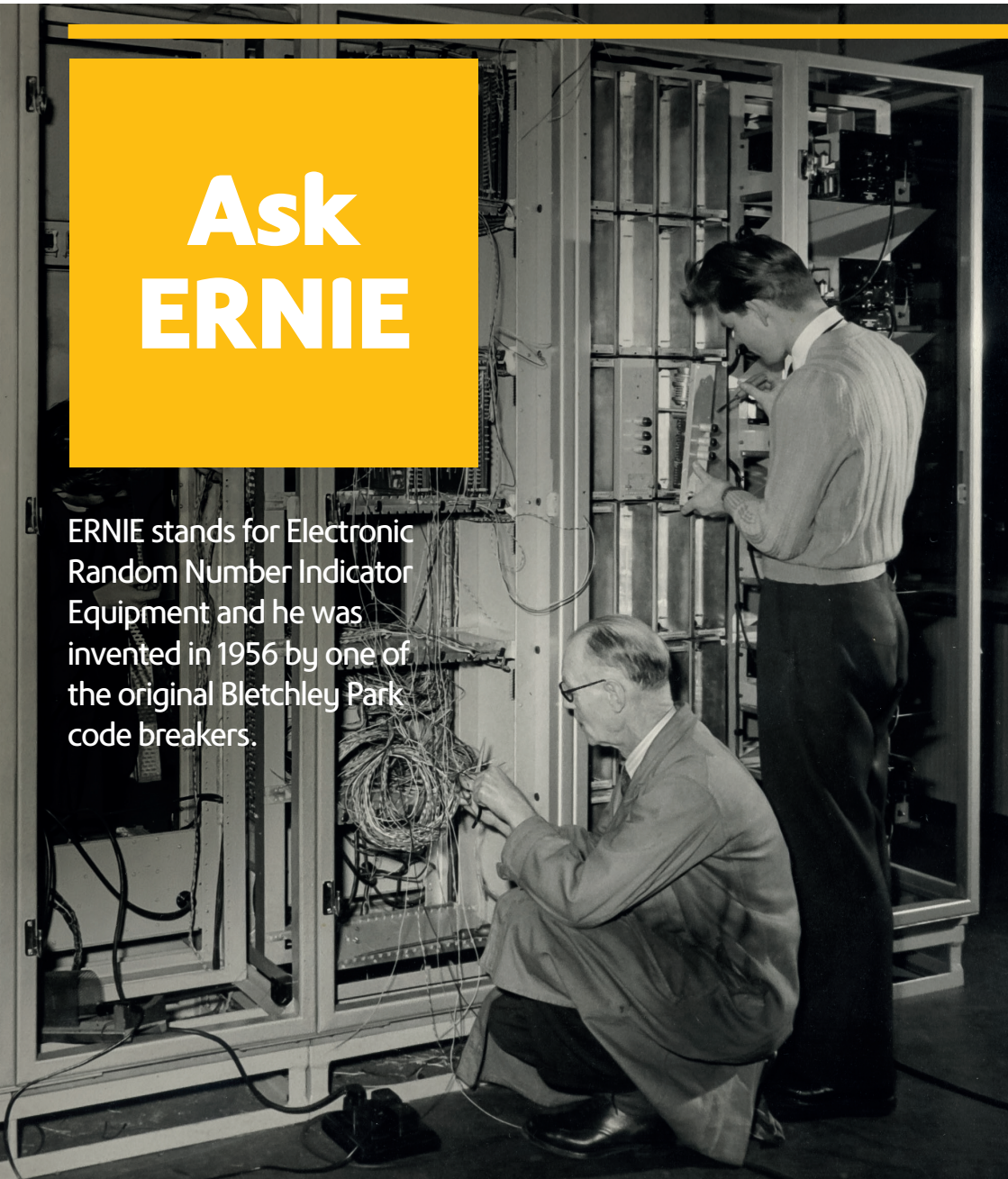
- > We can pay any prizes you win direct to your bank account
- > You can buy online or by phone
- > Our phone lines are open all day, every day. And when you're calling from a BT landline, calls are always free
- > We'll send you a Bond record (a bit like a statement) every time you buy or cash in Bonds
- > You can opt to go paperless if you register online
- > You can check if you've won by visiting our website
- > We've got a free app you can download to your smartphone or tablet which tells you if you've won or have any unclaimed prizes

What's not changed

- > You can still buy Bonds through the post. Remember our address is now Glasgow, not Blackpool
- > Our customer service teams are all in the UK, staffed by experienced and friendly people
- > We don't give your details to any third party for marketing purposes. Ever
- > Your security is our priority. Always

Ask ERNIE

ERNIE stands for Electronic Random Number Indicator Equipment and he was invented in 1956 by one of the original Bletchley Park code breakers.



Some myths about ERNIE

What does ERNIE do?

ERNIE generates numbers completely at random for the Premium Bonds prize draw. It's impossible for anyone to predict ERNIE's numbers or influence the results of the draw. Like that other British icon, Doctor Who, ERNIE keeps renewing himself. He's now in his fourth generation.

How are winners chosen?

Once the random numbers are generated, we match them in order against eligible Bond numbers to determine the lucky winners. So, each £1 Bond number has exactly the same chance of winning, no matter when or where you bought your Bonds.

How is the draw checked?

Each month, the Government Actuary's Department (GAD) does an independent check to ensure ERNIE's output is random. GAD then issues a certificate to confirm it has no reason to believe the draw isn't random. We can only publish winning numbers and pay out prizes when that certificate has been issued.

Can Bonds be left out of the draw?

No. ERNIE just generates random numbers. No numbers are entered or stored in ERNIE, so no eligible Bonds can be left out of the draw.

Does changing numbers change your luck?

Sadly not. If you cash in and buy new Bonds you will have to wait another calendar month for your new numbers to enter the draw. And meanwhile ERNIE might have picked your old number.

Why do people in the South East of England win more often?

Because there are more Bonds held there compared with the rest of the UK.

Why do old Bond numbers never win?

They do win. But there are so many more new Bond numbers in the draw that it's less likely.

Winning ways

How much can I invest?

Each investment must be at least £100, or £50 if you buy by standing order. And you can hold up to £40,000 in Bonds.

Can I buy Bonds if I live outside the UK?

In some countries. First you should check whether local regulations allow you to buy and hold Premium Bonds, as some countries don't allow this. You can only apply in the first instance by post as you'll need to send us some documents to prove your identity and address. We'll also need your Tax Identification Number and date and place of birth if you live in the European Union.

For full details before you apply, visit nsandi.com or call us on **+44 1253 832007**.

Calls will be charged at the rate of your international phone provider.

Once you've done all this successfully, then probably the easiest way for you to buy more Bonds is to register for our online and phone service.

Is there a best time to buy?

You must hold your Bonds for one full calendar month following the month you buy them to be eligible for the prize draw. So to be in the August draw, you would need to buy Bonds in June. Of course once your Bonds are in the draw, they'll each have a chance to win for every month that you hold them. And yes, the same winning Bond can win again in a different month.

What happens if I win a prize?

If you've registered for our online service we can pay your prize quickly and securely direct to your bank account. We'll send you an email to let you know you've won.

Otherwise we'll post you a warrant (like a cheque) which you can pay into your bank.

For high value prizes of £5,000 and over, we'll send you a claim form before paying out the prize.

And if you're lucky enough to scoop one of the jackpots, our representative 'Agent Million' will visit you in person. Make sure you ask for identification – we'll always have it ready for you.

How can I check I've won?

An easy way is to download our free prize checker app through iTunes or Google Play. Or use the prize checker on our website.

Keep it in the family

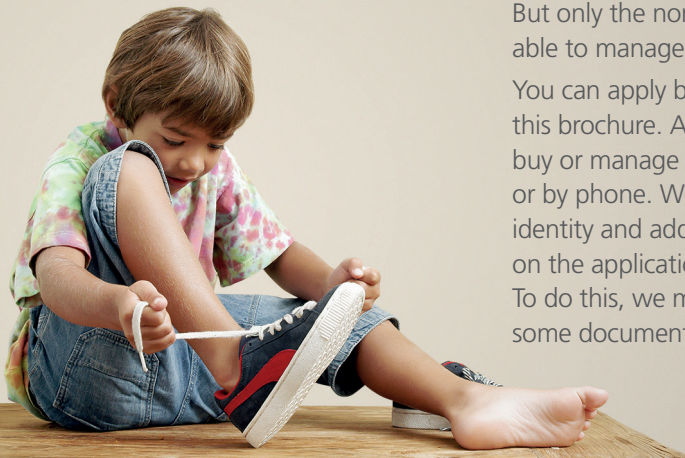
Whether you want to give a unique birthday present or help start the savings habit early, Premium Bonds can make a special gift for your child or (great) grandchild.

You'll need to nominate a parent or legal guardian to look after the Bonds until the child is 16. We'll send the nominated parent the Bond record, any prizes won and any payment for cashed in Bonds.

You can choose either parent or guardian to look after a different set of Bonds for the same child. But the total invested for the child has to be within the current individual investment limit. We'll give a separate holder's number to each parent or guardian for those Bonds they look after for the child.

When you're buying for your (great) grandchild, we'll send you an acknowledgement of your investment. But only the nominated parent will be able to manage and cash in the Bonds.

You can apply by post using the form in this brochure. At the moment you can't buy or manage Bonds for children online or by phone. We'll need to check the identity and address of everyone named on the application, including the child. To do this, we may ask you to send us some documents.



Keeping track of your Bonds

You can choose to look after your Bonds in the way that suits you best.

When you register for our online and phone service you'll be able to check your balance and prizes as well as buying more Bonds or cashing some in.

And you won't have to do everything online – you can still use our phone service or the post. It's up to you.

What you can do if you're registered

- ▶ Buy, keep track of and cash in Bonds
- ▶ Keep details like your address, email and nominated bank account up to date
- ▶ Have any future prizes paid directly to your bank account (we'll need a valid email address)
- ▶ Ask us to stop sending you paper Bond records (only if you use our online service)

How to register for our online and phone service

Visit nsandi.com/register for all the information you need and registration forms. Or call us.

When you register we'll ask you to choose a password and to answer some security questions. And if you don't already have one, we'll give you a unique NS&I number.

Already registered for another NS&I investment?

There's no need to re-register for our online and phone service. You can use your existing NS&I number and password to manage your Premium Bonds straight away. Or do you have Premium Bonds but can't view them when you log in? Call us and we'll explain what to do.

Not ready to buy Bonds online?

Even if you don't feel ready to buy or cash in Bonds online, you may still find it's worth registering. Why? Well if you're registered, you can choose to have prizes paid directly to your bank account. It's quicker, safer, and you won't need to go to your bank. You'll just need a valid email address so we can let you know when you've won.

And you can check your Bond numbers and see how much you hold. But if you want to buy more Bonds, you can still use the post or phone if you prefer. There's no pressure.

Managing Bonds for someone else?

Sorry, not all these services are currently available if you're managing Bonds for a child, or anyone else under a power of attorney or as a deputy.

Prefer to use the post?

You can write to us at any time to give us instructions about your Bonds. If you need a cashing in form, you can download one from our website and post it back to us. Or call us and we'll send you one.

Remember to quote your Premium Bonds holder's number when you contact us. We'll post you a Bond record (a bit like a statement) every time you buy or cash in Bonds.

Keep up to date with the prize draw

From time to time, the chances of winning, the prize fund interest rate and the number and value of prizes can change.

You'll find the latest details at **nsandi.com** or in our separate prize draw details leaflet. Call us if you need a copy.

Always here to help you

Find us online



[nsandi.com](https://www.nsandi.com)

Call us



0500 007 007

You can call us any time.
We're here in the UK all day, every day.
Calls from mobiles and some landline providers may not be free.
Calls may be recorded.

Write to us



**National Savings
and Investments
Glasgow G58 1SB**

Having trouble reading this brochure?

Ask us for a version in:

- ▣ Braille
- ▣ Audio tape or CD
- ▣ Large print

Can't see our website clearly?

Click **High contrast** for a different view or click A A A for larger type.

Do you use a Minicom?

Minicom (textphone) users can contact us on
0800 056 0585

Premium Bonds at a glance

The table below will help you compare Premium Bonds with other investments.

Key product information

> Account name

NS&I Premium Bonds

> Interest rates

These Bonds don't earn interest. Instead the interest rate funds a monthly prize draw for tax-free prizes including two £1 million jackpots every month from 1 August 2014. See our prize draw details leaflet or visit nsandi.com

> Tax status

All prizes are tax-free

> Conditions for bonus payment

Not applicable

> Withdrawal arrangements

No notice and no penalty

> Access

How to apply

- Visit our website or call us
- Use the form in this brochure to apply by post
- Or you can apply at a Post Office® counter

How to cash in

- Use our online or phone service if you're registered
- Visit our website and download a Premium Bonds cashing in form and post it to us
- Call us and ask for a cashing in form

Ready to apply?

Apply online



nsandi.com

If you're not ready to invest online you can still use our website to learn more, sign up for email alerts or register to manage your Bonds online and by phone.

Apply by phone



0500 500 000

You can call us any time.
We're here in the UK all day, every day.
Calls from mobiles and some landline providers may not be free.
Calls may be recorded.

Apply by post



Fill in the application form

Find out more on page 24.

Please have ready:

- ✦ A debit card in your own name and issued by a UK bank.
- ✦ Your Premium Bonds holder's number if you already hold Bonds.
- ✦ Your NS&I number and password if you are registered for our online and phone service.

After you apply

There are a few things we need to do before we accept your application and send your Bond record. This can take a while if we need more information from you.

But don't worry, if everything goes through smoothly the date of your Bonds will be the date we received your application.

Decisions, decisions

The table below will help you decide if Premium Bonds are the right investment for you.

Right for you if:

- You want the chance every month to win a £1 million jackpot and other tax-free prizes
- You want to make the most of tax-free investment opportunities
- You have £100 or more to invest
- You want 100% security for your money

Not for you if:

- You want a regular income from your savings
- You are looking for guaranteed returns
- You're concerned about inflation eroding the value of your savings
- You want to give them to anyone aged 16 and over

Here's what happens next

- 1** We'll check your identity and address if we haven't already done so. We normally do this electronically, but we may also ask you to send us some documents.
- 2** We may send you a confirmation form to sign and return.
- 3** When we receive your confirmation form and any documents we've asked for, we'll send your Bond record, or an email if you've chosen to go paperless.
- 4** We'll also send confirmation of your NS&I number, and a temporary password if you haven't already chosen one. You can then start using our online and phone service. Before then you can still deal with us by post.

Of course, not all of these steps will apply to you if you're already an established customer and have registered for our online and phone service. We'll just send you your Bond record or email.

Terms and conditions: 1 June 2014

Description

1. This agreement applies to NS&I Premium Savings Bonds Series B ("Bonds"), and these terms and conditions have been set pursuant to the National Loans Act 1968. These terms and conditions set out the obligations we have to you, as a customer, and the obligations you have to us. Please read these carefully and keep for reference.
2. Bonds are UK Government securities subject to the Premium Savings Bonds Regulations 1972 (Statutory Instrument Number: 1972/765) as amended or re-enacted from time to time (see paragraph 106). In the event of any differences between these terms and conditions and the Regulations, the Regulations will prevail.

Definitions

3. In these terms and conditions:
 - (a) "BACS" means the Bankers Automated Clearing Service;
 - (b) "banking day" means a day (other than a Saturday, Sunday or bank holiday) on which banks are generally open for business in London, and, in relation to the processing of a payment, any other place of receipt;
 - (c) "Bonds" means NS&I Premium Savings Bonds Series B;
 - (d) "Director" means the Director of Savings;
 - (e) "electronic transfer" means payments, or purchases, by BACS or Faster Payments, including under a standing order (unless the context requires otherwise);
 - (f) "Gazettes" means the London, Edinburgh and Belfast Gazettes;
 - (g) "high value prize" means a prize of £5,000 or above;
 - (h) "NS&I" means National Savings and Investments;
 - (i) "post office" means a branch of Post Office Ltd in the UK (this does not include post offices in the Channel Islands and the Isle of Man);
 - (j) "prospective user" means a person described in paragraph 77 who is entitled to become registered as a "registered user";
 - (k) "registered user" means a person who has registered to use the Service;
 - (l) "Service" means the telephone and internet services provided by NS&I for the purposes of purchasing and managing Bonds as described in paragraph 77.
4. For the purposes of these terms and conditions, any references to "we", "us" or "our" are references to the Director or those acting under the Director's authority.

Prize Draws

5. Bonds do not earn interest, but are included in draws for cash prizes.
6. There is a prize fund for each month which is equal to one month's interest on each Bond unit eligible for the prize draw for that month. The rate of interest used to calculate the prize fund may be changed by the Treasury from time to time.
7. The number of prizes in each month's draw will be calculated by dividing the total number of Bond units eligible for that draw by a specified number ("the odds") as follows:

Total number of eligible Bond units	÷	Odds for the draw	=	Total number of prizes
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The specified number is determined by the Treasury from time to time.

8. The prize fund is divided into individual prize values, which may be categorised into one or more prize value bands.
9. The percentage share of each month's prize fund allocated to each individual prize value or prize value band is determined by the Treasury from time to time.
10. There will be at least one £1,000,000 prize in each monthly draw.
11. The current rate of interest used to calculate the prize fund, details in respect of the odds, specified number of prizes, prize values, prize bands, the basis of distribution of prizes between the prize values and prize bands and notice of changes will be:
 - published on the NS&I website;
 - published in our Prize Draw Details leaflet available from NS&I;
 - published in the Premium Bonds leaflet that is available in post offices;
 - published in the Gazettes; and
 - made available directly from NS&I over the phone.

Eligibility of Bonds for prizes

12. A Bond will be included in all draws in and from the second month after the month of purchase or, where the Bond is purchased under an automatic prize reinvestment mandate (see paragraph 40), from the month immediately after the month of purchase, provided in each case that the Bond has not been repaid before the first day of that month.

13. After a Bond has qualified for its first draw it will be included in each subsequent draw, unless:

- (a) it has been repaid before the first day of the month for which the draw is held; or
- (b) the registered holder has died more than a year before the month for which the draw is held.

14. Each £1 Bond unit is eligible for one prize in each draw. If a Bond unit is drawn more than once in a draw it will be allocated the highest prize for which it is drawn.

15. Any Bond purchased in excess of the maximum holding limit of £40,000 (see paragraph 45) will not be eligible for a prize draw until the Bond holder's holding has been reduced to not more than the maximum limit. We have the right to reclaim any prizes won by a Bond subsequently found to be ineligible by virtue of being in excess of the maximum holding limit.

Publication and allotment of prizes

16. The winning Bond numbers are published on the NS&I website. The registered holders of winning Bonds will be notified by post or by email (where that holder has registered for the Service and has agreed to receive such notifications by email) using the most recent contact details as recorded at NS&I. For this reason it is important that we are advised of any change of contact details promptly.

17. We have sole discretion on all matters concerning the method and conduct of the draws and allotment of prizes. Our decision as to which Bonds have won prizes is final.

Tax

18. The prizes are free of all UK Income Tax and Capital Gains Tax.

Who may purchase and hold Bonds

19. **Individuals** Individuals of at least 16 years of age may, for their own benefit, purchase and hold Bonds in their own name.

20. **Attorneys** An individual of at least 16 years of age may also purchase Bonds in the name of another such individual where acting under a valid power of attorney.

21. **Children** Bonds may be purchased on behalf of a child under 16 years of age in accordance with paragraphs 65 to 72.

22. **Deputies** A person who is legally entitled to make investments on behalf of a person who both lacks capacity and is at least 16 years of age may purchase Bonds on behalf of, and in the name of, such person.

23. **Bankrupts** Bonds may not be held or purchased by a person who is an undischarged bankrupt.

How to purchase Bonds

24. Subject to paragraph 25, an application to purchase Bonds can be made:

- (a) via the internet;
- (b) by telephone;
- (c) by electronic transfer (existing Bond holders only);
- (d) by post to NS&I; or
- (e) in person at any post office which carries out NS&I business.

25. Only applications to purchase made by individuals on their own behalf can be made via the internet, by telephone and by electronic transfer. Applications made by attorneys, deputies and persons making a purchase on behalf of a child under 16 (see paragraph 65) can only be made by post and at any post office which carries out NS&I business.

26. Where an applicant applies by telephone or via the internet, the Bonds must be purchased using a debit card in the name of the proposed Bond holder issued by a UK bank or building society. This means that Bonds can only be purchased by telephone or via the internet where the applicant is able and authorised to use a debit card in the name of the proposed Bond holder (and not, for example, where a parent applies to purchase a Bond on behalf of a child).

27. Where an applicant makes an application via the internet or by telephone and this is their first application, the applicant must confirm the application by signing and returning a confirmation form we will send to them by post. The form will specify the time within which the signed form must be returned to us. If the form is not received by us within the specified time we will not be able to process the application. If this is the case any money paid to us will be refunded to the relevant debit card or by issuing a crossed warrant (like a cheque). However, we reserve the right to use another method of payment if necessary. No interest will be earned or paid and Bonds will not be eligible to be included in the prize draw for the intervening period.

28. Existing Bond holders with a holder's number may, subject to the minimum purchase limit (see paragraph 43) and maximum holding limit (see paragraph 45), purchase further Bonds under these terms and conditions by electronic transfer. Payment by electronic transfer is not available for purchases made by attorneys, deputies or on behalf of children under 16 years. Payment for the Bonds must be from a UK bank or building society account in the Bond holder's name. The Bond holder will need to provide their holder's number in the payment reference when making the purchase, otherwise the date of purchase may be delayed. By applying for Bonds by electronic transfer you will be deemed to have accepted the Premium Bonds terms and conditions applicable on the date of purchase.

29. When an application is made by post the Bond must be purchased using a cheque drawn on a UK bank or building society account held by the proposed Bond holder or applicant, where different. Where Bonds are being purchased by an attorney or a deputy, the Bonds can also be purchased using a cheque drawn on a UK bank or building society account held in the name of the attorney or deputy. In all cases Bonds can also be purchased using a UK building society branch cheque or UK banker's draft.

30. Where an application is made at a post office the Bond can be purchased using a cheque (which must be a personal cheque drawn on a UK bank or building society account held by the proposed Bond holder, or applicant where different), a building society branch cheque or banker's draft, or a debit card in the name of the proposed Bond holder or applicant, where different, issued by a UK bank or building society. Where an application is made via the post office acceptance by us can only occur when the application is subsequently processed by NS&I.

31. In all cases, an application to purchase is subject to acceptance by us.

32. Once an application is accepted, the date of purchase of Bonds will be:

- (a) for applications via the internet, the date the online application, including authorisation of the debit card payment from the card issuer, was received at NS&I;
- (b) for applications made by telephone, the date the application, including authorisation of the debit card payment from the card issuer, was received at NS&I;
- (c) for applications made by electronic transfer, the date the payment was received in the Director's account;
- (d) for applications sent by post, the date the application and payment were received at NS&I. No responsibility will be accepted for applications which are lost in the post, or affected by postal delays. Proof of posting will not be accepted as proof of delivery; and
- (e) for applications at a post office, the date the application and payment were received at the post office.

33. Once an application has been accepted, the Bond holder will receive confirmation of the Bond numbers including the date and value of the purchase.

Evidence of identity

34. Under legislation relating to money laundering we are required to verify the identity and address of our customers before we can accept an application to invest. To do this we may make electronic checks using data from a third party including information from the Electoral Register. In accepting the terms and conditions the applicant confirms that they, and anyone else named on the application, are aware that their identity and address will be checked.

35. We may also request documentary evidence of identity and address. The request for evidence of identity

will specify the time within which the evidence must be returned to us. If the evidence is not received by us within the specified time we will not be able to process the application. We accept no responsibility for documents which are lost in the post, or affected by postal delays. Proof of posting will not be accepted as proof of delivery.

36. If we are unable to process an application due to lack of evidence of identity, the application will be cancelled from inception and any money paid to us will be refunded to the relevant debit card or by issuing a crossed warrant (like a cheque) to the applicant named on the application form. However, we reserve the right to use another method for payment if necessary. No interest will be earned or paid and Bonds will not be eligible to be included in the prize draw for the intervening period.

Cancellation rights

37. If an applicant is not happy with their purchase of Bonds they have 14 days from the date the confirmation of purchase was received within which to cancel the Bonds. To cancel the Bonds an applicant must notify us in writing, by post, by fax, by email, or by telephone, using the details at the end of these terms and conditions.

38. If an applicant cancels their Bonds we will return all of the money to them. No interest will be earned or paid for this period and the Bonds will not be eligible to be included in the prize draw. If an applicant does not cancel their Bonds, the Bonds will become eligible for the prize draw in accordance with paragraph 12 and these terms and conditions will apply until the Bonds are repaid.

Regular purchase scheme

39. Existing Bond holders may, subject to the minimum purchase limit (see paragraph 43) and maximum holding limit (see paragraph 45), purchase further Bonds under these terms and conditions through the Premium Bonds Regular Purchase Scheme. The Regular Purchase Scheme is not available for purchases on behalf of children under 16 years. Payment for the Bonds must be by standing order from a UK bank or building society account in the Bond holder's name. We will automatically send a Bond holder confirmation of the new Bonds purchased. The date of purchase will be the date the payment is received in the Director's account. A Bond holder may cancel such a standing order at any time without notifying NS&I.

Reinvestment of prizes

40. Subject to the maximum holding limit (see paragraph 45), a Bond holder may elect to purchase Bonds by the automatic reinvestment of prizes by completing an instruction form or by opting in by telephone or via the internet.

41. For all purchases made by means of an automatic reinvestment of prizes, a Bond holder will receive confirmation of the Bond numbers including the value and date of purchase.

Purchase and holding limits

42. Bonds may be purchased in multiples of £1. The minimum purchase at any time is £100 (one hundred £1 units). Purchases made by cheques for less than £100 will be returned to the applicant.

43. Where the purchase is made by electronic transfer or under the Regular Purchase Scheme (see paragraphs 28 and 39) the minimum is £50 (fifty £1 units). If any purchase is for less than £50 it will be returned to the Bond holder's bank in full.

44. The purchase limits in paragraphs 42 and 43 do not apply where the purchase is made under an automatic prize reinvestment mandate (see paragraph 40). Where such a purchase will take the holding up to the maximum limit (see paragraph 45), any balance of a prize will be paid to the Bond holder.

45. A Bond holder may not hold more than £40,000 (forty thousand £1 units). This limit is set by the Regulations and may be changed from time to time. If any purchase would result in this limit being exceeded, the payment will be returned in full.

Cashing in

46. Subject to paragraph 52, a Bond holder can cash in their Bonds at any time, for any reason, without charge. In certain limited circumstances (such as where the Bond holder lacks capacity and an application is made by their deputy), we may also accept requests for repayment from persons other than the Bond holder.

47. Bonds purchased by cheque or debit card can only be cashed in after payment has cleared. However, in certain circumstances, we may allow Bonds purchased by debit card to be cashed in before the payment has cleared. If we so allow, we will repay the sum requested to the debit card from which the deposit was made.

48. It will normally take seven banking days from the date of purchase for payments to clear. For example, if we receive a cheque on a Monday, the payment will be cleared on the Tuesday of the following week. Payments made at a post office will normally take two banking days longer than the timescale set out above and will be available for withdrawal from the ninth banking day. For example, if a cheque is paid at a post office branch on a Monday, the payment will be cleared on the Thursday of the following week. One additional day on top of these timescales should be allowed for each English bank holiday. The same clearance periods apply for debit card payments. Payment clearance may exceed the timescales given above if the drawer of the payment has recently switched their banking service to another provider.

49. As Bonds are issued in units of £1, the minimum amount that can be cashed in at any one time is £1.

50. For internet or telephone applications to cash in made via the Service, Bond numbers will automatically

be selected on a "first in, first out" basis (the oldest Bond numbers will be selected first and the most recent Bond numbers selected last). Payment will be made by electronic transfer to the nominated bank account.

51. For postal applications to cash in, payment will normally be made by electronic transfer to the nominated bank account. However, in certain circumstances we may accept requests for payment to be made by crossed warrant (see paragraph 61).

52. To make sure that Bonds remain eligible for the prize draw for the maximum period of time applications to cash in received during the last two banking days of a month will not be processed until one banking day after the first day of the next month. Consequently there may be a delay of up to three banking days in us issuing the payment.

Repayments by electronic transfer

53. Where repayment is to be made by electronic transfer, repayments will normally be made to a UK bank account (including an NS&I Direct Saver) or building society account in the Bond holder's name.

54. We intend to use BACS as the means of making these electronic transfers (although we reserve the right to use a different means if necessary).

55. The nominated bank or building society account must be capable of receiving payment via BACS.

56. Bond holders who have not already advised us of their nominated bank or building society account will be asked to provide details of an account suitable to receive electronic transfers when they apply to cash in their Bonds.

57. For telephone or internet applications to cash in, we will normally initiate the electronic transfer within three banking days of receiving instructions.

58. For postal applications to cash in, we will normally initiate the electronic transfer within eight banking days of receiving instructions.

59. Once we have initiated the electronic transfer, the date of repayment, for the purposes of these terms and conditions, will be taken to be the date on which, in the normal course, the requested amount would be credited to the nominated bank or building society account. In the case of BACS, this is normally two banking days after we initiate the transfer.

60. Where an electronic transfer is initiated properly we will not be liable for:

- (a) any failure or delay of the receiving bank or building society in crediting the nominated account; or
- (b) any failure or delay in any part of the electronic transfer process which is beyond our direct control (including any failure which occurs because the nominated account is incapable of receiving an electronic transfer).

Repayments by crossed warrant

61. We will normally process the application for payment and issue a crossed warrant within eight banking days of receiving the instructions. The date of repayment will be taken to be the date on the crossed warrant.

Repayment of Bonds by NS&I

62. We can repay Bonds immediately, without needing an application to cash in, if:

- (a) we reasonably think any of the persons named in the application have provided false information;
- (b) we reasonably suspect that the Bonds are being held for an illegal purpose;
- (c) the applicant who applied to purchase the Bonds, was not entitled to purchase them, or the Bond holder is not entitled to hold them;
- (d) the Bond holder's holding exceeds the maximum allowable (see paragraph 45) (to the extent that the holding exceeds the maximum);
- (e) the Bond holder fails to comply, in a material manner, with the terms or conditions for holding the Bonds; or
- (f) we have any other valid reason to do so.

Transfers

63. Bonds are not transferable at any time. Following the death of a Bond holder, the value of the Bonds will form part of the deceased Bond holder's estate.

Payment of prizes

64. Apart from Bonds held on behalf of a child (see paragraph 71), prizes:

- (a) subject to subparagraphs (c) and (d), will normally be paid by crossed warrant to the last recorded address for Bond holders who are not registered to use the Service for their Bonds;
- (b) subject to subparagraphs (c) and (d), may be paid by electronic transfer to the nominated bank account for Bond holders operating their holding by means of the Service. Where payment is made by electronic transfer Bond holders will receive notification of any prizes by email;
- (c) will result in the purchase of new Bonds (subject to the maximum holding limit – see paragraph 43) for Bond holders who have selected the automatic prize reinvestment option (see paragraph 40), unless the prize is a high value prize; or
- (d) will lead to NS&I asking Bond holders to confirm their preferred method of payment, where they have selected the automatic prize reinvestment option and the prize won is a high value prize.

Children under 16 years

65. Bonds may be purchased on behalf of and in the name of a child under 16 years of age, by their parent, grandparent, great grandparent, or guardian (see paragraph 21). However, Bonds cannot be purchased for children over the internet, by telephone or by electronic transfer.

66. The Bond numbers, including the date and value of purchase, will be sent to the parent or guardian nominated in the application to purchase. Only one parent or guardian may be nominated to manage a holding on behalf of a child. Where the Bonds are purchased by a grandparent or great grandparent the applicant will be sent an acknowledgement of the purchase.

67. The parent or guardian nominated in the application to purchase will have responsibility for managing the Bonds while the child remains under 16 years of age. All communications relating to Bonds held by a child, including instructions to cash in Bonds, will be accepted from the nominated parent or guardian, unless there are exceptional circumstances causing us to doubt that the nominated parent or guardian is a fit person to manage the Bonds.

68. There may be multiple holdings for one child and each may have a separate nominated parent or guardian. In such circumstances each nominated parent or guardian will have a separate holder's number and will normally only be able to manage and have access to the holding for which they are the nominated parent or guardian.

69. The maximum holding limit referred to in paragraph 45 applies to the total number of Bonds held by a child, regardless of who has responsibility for managing those Bonds. For the purposes of the maximum holding limit, a child's Bonds are treated separately from any held by the nominated parent or guardian on their own account.

70. As indicated in paragraph 39, the Regular Purchase Scheme is not available for purchases on behalf of children under 16 years.

71. Prizes won by a child under 16 will normally be paid by crossed warrant, made payable to the nominated parent or guardian for that holding.

72. Repayment of Bonds will normally be made by electronic transfer to a bank account in the name of the nominated parent or guardian, or by crossed warrant made payable to the nominated parent or guardian for that holding.

Giving us instructions

73. Instructions can be given:

- (a) via the internet (where a holding is registered for the Service);
- (b) by telephone (where a holding is registered for the Service); or

(c) by post to NS&I by completing the relevant form (available from NS&I) and returning it to us.

74. We cannot change or cancel payment instructions because we start processing them when we receive them.

75. We may refuse to act on instructions if:

- (a) we reasonably believe that they were given by a person who was not entitled to give us instructions;
- (b) we reasonably suspect fraudulent activity in relation to the Bonds;
- (c) the instructions are unclear, incomplete or not in the required form;
- (d) in carrying out the instructions, we might thereby act contrary to a law, regulation, code or other duty which applies to us;
- (e) it would cause any limit or restriction which applies to a holding of Bonds to be exceeded; or
- (f) we have any other valid reason for not acting on the instructions.

76. If we refuse to act on instructions we will notify the Bond holder and, if possible, give our reasons for doing so. Bond holders can obtain information about the refusal and, where appropriate, our reason for refusing, along with information on how to correct any errors that led to the refusal, by contacting us using the details at the end of these terms and conditions (unless we are prevented by legal obligations, or circumstances beyond our control, from providing this information).

Telephone and Internet Service

77. We offer the opportunity to purchase and manage Bonds via the telephone and/or internet, to opt to receive paperless documents and to receive payment of prizes by electronic transfer with notification of any prizes won by email. The Service is offered to Bond holders and, where a Bond holder lacks capacity or has created a valid power of attorney, a limited Service is offered to those entitled to manage their Bonds (each a "prospective user"). To use the Service to both purchase and manage Bonds, a prospective user will need to register either by telephone or via the internet as part of their application to purchase. If a prospective user wants to register to use the Service to manage Bonds that they have already purchased, they will need to complete a registration form (available from us or to download from our website) and return it to us for processing. Deputies and attorneys can only register to use the limited Service by completing the registration form and returning it to us for processing.

78. If a prospective user registers as part of an application to purchase made over the internet, they will be asked to supply security information and choose a password. If the prospective user is an existing customer who has already registered to use the Service, they must use their existing security information and password to purchase and manage the relevant Bonds (see paragraph 81).

79. If a prospective user registers as part of an application to purchase made by telephone, they will be asked to supply security information. After registration, we will send a temporary password to the registered user. Before the registered user can manage Bonds using the Service, they will need to change the temporary password to one of their own choosing. The temporary password will expire after 60 days so the registered user will need to change it before then. If they do not change their temporary password before it expires we will issue them with a new password when they next contact us. The new temporary password must be changed within 60 days.

80. We will use the password and security information to verify the identity of the person seeking to access the Service. If for any reason a registered user wishes to change their security information or password they can do so via the internet, or by calling us. We may ask for any change to be confirmed in writing.

81. Registered users must take reasonable precautions to prevent unauthorised use of the Service. They should not disclose any information which will give access to the Service to anyone other than us. They should not record their password or security information in any way that may result in them becoming known to another person.

82. Please note that after initial registration we will never contact registered users, or ask anyone to do so on our behalf, with a request to disclose security information in full. If registered users receive any such request from anyone (even if they are using our name and logo and appear to be genuine) then it is likely to be fraudulent and registered users must not supply their security information to them under any circumstances. Registered users should report any such request to us immediately.

83. The Bond holder will be responsible for any instructions received by us between the time a registered user passes the security procedure until the time that registered user exits from the Service. Please note that this includes any input errors or instructions sent by someone other than the registered user, so registered users are asked not to leave the device they are using to access the Service unattended while logged on.

84. Please note that we are entitled to repay Bonds where instructions to cash in have been given through the Service, if particulars of the security information were correctly provided.

85. If a registered user has reason to suspect that their security information and/or password have become known to a third party, they should immediately notify us by telephone. We may ask for this to be confirmed in writing.

86. While we will make reasonable efforts to provide the Service, we will not be liable for any failure to provide the Service, in part or full, for any cause that is beyond our reasonable control. This includes, in particular, any suspension of the Service resulting from maintenance and upgrades to our systems or the systems of any party used to provide the Service.

87. We may, where we consider it is appropriate for the protection of Bond holders, suspend, withdraw or restrict the use of the Service or any part of the Service. We will inform Bond holders as soon as practicable if we take such action. We may also end the Service or any part of the Service at any time by giving reasonable notice.

Liability

88. If a Bond holder, or anyone entitled to manage their Bonds, tells us that an application to cash in Bonds was not authorised, we will carry out an investigation. As soon as we are reasonably satisfied that the application to cash in was not authorised, we will, subject to paragraph 89, reinstate the Bonds to the position they would have been in if the unauthorised payment had not taken place. This means that, in addition to the amount of the unauthorised payment, we will pay any prizes for which the Bonds would have been eligible, but we will have no further liability.

89. However, we will not be liable for:

- (a) any payments made in respect of Bonds where the Bond holder, or anyone entitled to manage their Bonds, has acted fraudulently; or
- (b) any payments which both:
 - (i) result from a deliberate or careless failure of the Bond holder, or anyone entitled to manage their Bonds, to keep their password or security information secret; and
 - (ii) occur before we are notified that the password or security information has been disclosed to a third party.

90. If we are asked to make a payment by electronic transfer and, after a reasonable period has elapsed, the bank or building society to which payment should have been made says that it has not received the payment, we will make the payment again, unless:

- (a) there was a mistake in any of the details contained in the payment instructions given to us. If this is the case, we will make reasonable efforts to recover the funds; or
- (b) we can show that the payment was in fact received by the bank or building society to which payment should have been made.

How we use your information

91. We may use any information provided to us to help us:

- (a) manage Bonds;
- (b) prevent and detect crime;
- (c) understand our customers' requirements; and
- (d) develop and test products and services.

92. We treat all information we hold concerning customers as private and confidential. We will not reveal any personal details or details concerning a customer's investments to anyone not connected with NS&I, unless:

- (a) the customer asks us to reveal the information, or we have the customer's permission to do so;
- (b) we are required or permitted to do so by law;
- (c) it is required by credit reference and fraud prevention agencies and other companies that provide a service to us or the customer; or
- (d) there is a duty to the public to reveal the information.

93. When giving us information about another person, the person providing the information is required to confirm that they have been appointed to act on behalf of that other person. This includes providing consent to process that other person's data as set out in these terms and conditions.

94. We may monitor or record telephone calls for training, quality assurance and other business purposes.

95. The NS&I website uses cookies to collect anonymous data in order to administer the website. It is possible to set internet browser software so as to disable the use of cookies. Please note however that application forms and other processes require the use of cookies for correct operation.

96. From time to time we may change the way we use customer information. Where we believe that customers may not reasonably expect such a change we will notify them personally. If customers do not object to the change within 60 days, we will deem them to have consented to that change.

97. Information about the Bond holder and their Bonds will be kept after a holding is closed to maintain the integrity of the Premium Bonds prize draw process. Customer information will be held by us in both paper form and on our IT systems. Customers wishing to obtain a copy of the information we hold about them can make a Data Subject Access Request under the Data Protection Act and send it to: **The Data Protection Officer, National Savings and Investments, 1 Drummond Gate, London SW1V 2QX** – make sure the request is signed. A Data Subject Access Request form is available to print off and complete in the 'Privacy' section of the NS&I website. Alternatively, customers can write to the Data Protection Officer giving us their full name, current address and any previous addresses, which savings or investments they have with us and the account, holder's or customer numbers. There may be a small charge for this service – if so, we will make this clear.

98. We would like to keep customers up to date with information about our products and services which we think might interest them. If a customer does not want to receive this information they can contact us using the details at the end of these terms and conditions.

How to notify us of changes to personal details

99. To enable us to manage Bonds effectively and to be able to contact Bond holders when necessary we ask that

they let us know, as soon as possible, of any changes in name, address, telephone number or email address. Bond holders should also ensure that their nominated bank account details are kept up to date. If they are registered to use the Service they should notify us of any such changes by telephone, or update their details on the internet. Otherwise they should write to us at the address at the end of these terms and conditions.

Complaints

100. 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. Complaints can be made in writing to the Customer Service Team at the address at the end of these terms and conditions, by calling us free on 0800 092 1286 (calls from mobiles and some landline providers may not be free), or by visiting nsandi.com, clicking 'Contact us', clicking on the 'Contact us online' button in the 'Email us' section, and selecting 'complaint' in the 'subject' dropdown menu. A leaflet describing our complaints procedure is available on request or to download at nsandi.com, by clicking 'Why save with us', clicking on 'Our commitment' and then clicking on the link under the heading 'Not happy with our service?'

101. If a customer feels that we have not resolved their complaint to their satisfaction, they may be able to refer it to the Financial Ombudsman Service (the "FOS") at **South Quay Plaza, 183 Marsh Wall, London E14 9SR** (Tel **0800 023 4567**). The FOS is an organisation set up by law to give consumers a free and independent service for resolving disputes.

Changes in these terms and conditions

102. The Treasury reserves the right to amend these terms and conditions at any time.

103. Typically, changes will be made pursuant to paragraph 102:

- (a) to make the terms and conditions clearer or more favourable to the Bond holder;
- (b) to reflect changes in the Government's funding requirements;
- (c) to reflect changes in the law or a decision by an ombudsman;
- (d) to enable us to meet changed regulatory requirements;
- (e) to reflect any changes in any codes of practice to which we subscribe;
- (f) to reflect changes in the general practice of banks and other organisations offering similar products or services; or
- (g) to allow for new technology systems, methods of operation, security or facilities.

104. If the change is to the Bond holder's detriment, details of the change will be published on our website, in the Gazette and, if appropriate, in a range of national newspapers.

105. Where these terms and conditions are superseded by new terms and conditions, the new terms and conditions will apply to new purchases and existing holdings. The current terms and conditions are available at post offices and from NS&I, and on our website at www.nsandi.com

Regulations

106. As at 1 June 2014, The Premium Savings Bonds Regulations 1972 (Statutory Instrument Number 1972/765) have been amended by the following Statutory Instruments:

1976/1543 1977/1447 1980/767 1981/310 1984/601
1986/2001 1988/1356 1991/1337 1992/3116 1995/1002
1997/1862 1999/3305 2003/1085 2004/2353 2005/2114
2007/1898 2009/1263 2010/291 2010/2479 2014/1182

107. The Statutory Instruments listed in paragraph 106 can be accessed at www.legislation.gov.uk

Law and jurisdiction

108. These terms and conditions and any agreement made on the basis of them will be governed by and interpreted in accordance with English law.

109. In the event of the death of a Bond holder, the Director reserves the right to make any payment in respect of the Bond in accordance with the law of the place in which the Bond holder resided or, if different, was domiciled at the date of their death.

110. Subject to paragraphs 111 and 112, the courts of England are to have exclusive jurisdiction to settle any dispute (including claims for set off and counterclaims) which may arise in connection with these terms and conditions or any agreement made on the basis of them and which, subject to the Regulations, falls to be determined by a court of law.

111. Where section 16 of the Civil Jurisdiction and Judgments Act 1982 applies the relevant court of law of the relevant part of the United Kingdom shall have jurisdiction to settle any such dispute.

112. Paragraphs 110 and 111 are included for the benefit of NS&I. Accordingly NS&I retains the right to bring proceedings in any other court which has jurisdiction to whose jurisdiction the holder irrevocably submits.

Premium Bonds

National Savings and Investments
Glasgow
G58 1SB

1 June 2014

PLEASE KEEP FOR REFERENCE

Apply by post

Here's how:

- ▶ Complete the form opposite in full.
- ▶ Make sure you have signed and dated it.
- ▶ Post your completed form and enclose a cheque to us in the tear-off envelope provided to:



**National Savings
and Investments
Glasgow G58 1SB**

To help you keep track of your application, please take note of your application reference number until your Bond record arrives. You will need this number if you contact us with any questions while we process your application. You will find this number in section 1 of the form

Paying by cheque

- ▶ Make your cheque payable to:
National Savings and Investments
- ▶ Write your application reference number on the back. You will find this number in section 1 of the form.
- ▶ The cheque must be drawn on a UK bank account in the applicant's name.
- ▶ Fill in the cheque details in section 5 of the form.

We will bank your cheque as soon as we receive it, so please make sure you have enough money in your account when you apply to invest.

For your security, we don't accept debit card details by post.

i Read this before you apply

Do you already have some Premium Bonds?

Give your holder's number in section 2.

Buying Premium Bonds for the first time?

Leave section 2 blank.

How much can you invest?

From £100 to a total of £40,000.

Buying for a child under 16?

Give their holder's number. Check this with the parent or guardian who will be looking after the Bonds.

Give the child's name, address and date of birth in section 3, and the parent's or legally appointed guardian's details overleaf.

If a (great) grandparent is buying the Bonds, they need to give their details as well as the parent's or guardian's.

Read page 9 before you apply.

i Application number

Below is your application reference number

Keep a note of this until your Bond record arrives.

Quote this number if you have any queries about your application.



⚠ Complete all relevant parts of the form then sign and date overleaf

Application to invest in Premium Bonds



Please write in **BLACK CAPITAL LETTERS** inside the boxes. This helps us to process your form faster.

1 how much do you want to invest?	amount	£	<input type="text"/>	min £100, max £40,000 must be in whole pounds	application reference no	<input type="text"/>
	amount in words		<input type="text"/>			<input type="text"/>
2 holder's number (of person named in section 3)			<input type="text"/>	9, 10 or 11 characters – ignore hyphens, spaces or full stops		
			If buying for a child, give their holder's number (not your own) – check this with the parent or guardian who will be looking after the Bonds			
3 holder's details <i>*By supplying your email you are confirming that you are aged 18 or over and that you agree to receive email updates about products, offers and services from NS&I. NS&I may use other companies to deliver your emails but will never allow them to keep your details or use them for anything else. If you have previously provided your email address or marketing preferences we will not update our records – you will need to contact us separately to do this.</i>	title		<input type="text"/>	date of birth	<input type="text"/>	<input type="text"/>
	surname		<input type="text"/>			
	forenames in full		<input type="text"/>			
	address		<input type="text"/>			
	postcode		<input type="text"/>	country of residence	<input type="text"/>	
	tel no		<input type="text"/>	nationality	<input type="text"/>	
	*holder's email (if aged 18 or over)		<input type="text"/>			
			<input type="text"/>			

i What to do next

By post

Pay by cheque only.
Return your completed form and cheque in the pre-paid envelope provided.
Keep your application reference number until your Bond record arrives.

At a Post Office® branch

Pay by debit card or cheque (not cash).
Hand in your completed form and payment at the counter.
You will be given a receipt by a member of staff. Check it and keep it until your Bond record arrives.

When paying by cheque

Write the application reference number (shown in section 1 overleaf) on the back of your cheque.



You must provide details of the account on which the cheque is drawn in section 5 below.

We'd like to give you a better service by keeping you informed about other offers from National Savings and Investments. If you'd rather not receive these, please write to National Savings and Investments, Glasgow, G58 1SB.

We will not pass your details to any other organisation for marketing purposes without your consent.

⚠ Complete all relevant parts of the form then sign and date below

Tear off form here ▾

4a parent's/guardian's details

If the holder is under 16, give the parent's/guardian's details here

title	<input type="text"/>	date of birth	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
surname	<input type="text"/>										
forenames	<input type="text"/>										
address	<input type="text"/>										
	<input type="text"/>										
	<input type="text"/>										
	<input type="text"/>										
tel no	<input type="text"/>										

4b grandparent's/great grandparent's details

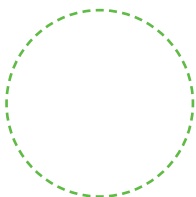
If buying for a grandchild, you must also give the parent's details at 4a

title	<input type="text"/>	date of birth	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
surname	<input type="text"/>										
forenames	<input type="text"/>										
address	<input type="text"/>										
	<input type="text"/>										
	<input type="text"/>										
	<input type="text"/>										
tel no	<input type="text"/>										

5 applicant's signature



It is important that you read and understand the section entitled **How we use your information** in our terms and conditions.
Declaration: I have read and accept the terms and conditions dated 1 June 2014.



Post Office® date stamp

signature

date

For Post Office® use

Do not give this form back to the customer. It must be sent to NS&I in envelope 30 (New Accounts) at close of business on the day of application.

bank sort code

 - -

account number

name of account holder