

NS&I British Saving Bonds Martin Lewis's Money Saving Expert website.

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NS&I has launched its 'British Savings Bonds' – three-year fixed rate savings accounts first announced by the Chancellor in his Spring Budget last month. But they'll only pay 4.15% AER – a rate you can easily beat elsewhere.

Despite the new branding, there's nothing revolutionary about these accounts. NS&I says your savings will be "invested back into supporting the UK" – but, as NS&I itself points out, this is the case for ALL of its account types (including [Premium Bonds](#)).

That's because whenever you save with NS&I, you're effectively lending your money to the Government – and the funds raised by the new bonds aren't being ring-fenced for a specific use.

How NS&I's British Savings Bonds work

Here are the key need-to-knows:

- **You can deposit from £500 up to £1 million.** As with all NS&I savings, any money you put in is totally safe, as it's backed by the Treasury – though under the [savings safety rules](#) all UK-regulated savings accounts are protected anyway up to £85,000 per person, per institution.
- **The 4.15% AER interest rate is fixed for three years.** However, as noted above, you can easily beat this rate with [other savings](#).
- **You can't withdraw your money until the end of the three-year term.** So only lock away what you definitely won't need access to.
- **You can choose when to have the interest paid.** The [Guaranteed Income Bonds](#) pay interest monthly, while the [Guaranteed Growth Bonds](#) pay interest at maturity. But be aware: depending on your circumstances, choosing to have the interest paid in one go at maturity [could mean you end up paying more tax](#). Unlike NS&I's [Premium Bonds](#), where any prizes you win are tax-free, interest you earn from British Savings Bonds IS taxable.

You can earn more on your savings elsewhere

Account type	Top available rate (AER) and provider	Annual interest earned per £1,000 saved (1)
British Savings Bonds	4.15% NS&I	£41.50
Premium Bonds	4.4% 'prize rate' NS&I	N/A – what you get is decided by a monthly draw.
Easy-access	5.06% Post Office	£50.60 (£9.10 more)
Six-month fix	5.21% SmartSave via Flagstone	£52.10 (£10.60 more)
One-year fix	5.2% MBNA	£52 (£10.50 more)
Two-year fix	5.07% Beehive Money / DF Capital	£50.70 (£9.20 more)
Three-year fix	4.67% Zenith Bank UK	£46.70 (£5.20 more)

Here's how the British Savings Bonds stack up compared to other savings accounts:

(1) Figures are estimates based on interest being paid once per year, not compounding. | Information correct as at Thursday 4 April. For the latest rates, see our regularly-updated [Top savings accounts](#) guide.

As shown above, the British Savings Bonds can be beaten even by shorter-term fixes, as well as easy-access accounts, which allow you to make withdrawals – so the bonds are only really worth considering if you have very large amounts to save (above the [£85,000 per person, per institution protection](#) you get with other UK-regulated accounts) and want the total safety you get with NS&I.