STATUTORY INSTRUMENTS

1990 No. 2203

BUILDING SOCIETIES

The Building Societies (Investigation of Complaints) Order 1990

Made - - - -	*31st October 1990*
Laid before Parliament	*7th November 1990*
Coming into force	*1st January 1991*

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred on it by section 83(7) of the Building Societies Act 1986(a) and of all other powers enabling it in that behalf makes the following Order:–

Citation and Commencement

1. This Order may be cited as the Building Societies (Investigation of Complaints) Order 1990 and shall come into force on 1st January 1991.

Interpretation

2. In this Order, except where the context otherwise requires

"the Act" means the Building Societies Act 1986;

"Part II" means Part II of Schedule 12 to the Act;

"Scheme" means a scheme for the purposes of section 83 of the Act (Schemes for investigation of complaints).

Amendment of requirement for recognised schemes

3. The Schedule to this Order shall have effect for the purpose of varying the provisions of Part II (Requirements for Recognised Schemes: Matters of Complaint).

In witness whereof the common seal of the Building Societies Commission is hereunto fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986 on 26th October 1990.

(L.S.)

Norman Digance
Secretary to the Commission

We consent to this Order.

Thomas Sackville
Irvine Patnick

Two of the Lords Commissioners
of Her Majesty's Treasury

31st October 1990

(a) 1986 c.53; Schedule 8 was varied by S.I. 1988/1141.

SCHEDULE

Article 3

VARIATIONS OF PART II OF SCHEDULE 12 TO THE ACT

1. After paragraph 3 of Part II there shall be inserted the following paragraph:

"Borrowers: Loans by appropriate mortgage companies

3A. The operation or termination of the account of a borrower on the security of land from an appropriate mortgage company and the grant or refusal to grant a borrower from such a company further advances secured on the same or different land or other facilities normally available to borrowers of his description.

Note: The operation or termination of the account of a borrower from an appropriate mortgage company includes any aspect of the relationship or the termination of the relationship between the lender and such a borrower including in particular the exercise of any power over the security.

Note: "Appropriate mortgage company" means a company of that description which is for the time being the object of investment and support by a building society in accordance with the Building Societies (Designation of Qualifying Bodies) Order 1990(a).

Note: the grant of advances includes the terms on which they are granted."

2. For paragraphs 6 to 9 of Part II there shall be substituted the following paragraphs

"Banking Services

6. The terms on which are provided, the operation of, or the withdrawal of banking services.

Note: "Banking Services" means the services of that description provided in accordance with Schedule 8 to this Act.

Trusteeship

7. The terms on which are provided, the operation or termination of services of Trusteeship.

Note: "Trusteeship" means the services of that description provided in accordance with Schedule 8 to this Act.

Executorship

8. The terms on which are provided or the operation of services of Executorship.

Note: "Services of Executorship" means services of that description provided in accordance with Schedule 8 to this Act."

(a) S.I. 1990/1434

EXPLANATORY NOTE

(This note is not part of the Order)

This Order varies Part II of Schedule 12 to the Building Societies Act 1986 which prescribes the matters action in relation to which must be subject to investigation under a complaints scheme if it is to qualify for recognition for the purposes of investigations under section 83 of the Act.

Every building society authorised to raise money by shareholdings or deposits must, pursuant to section 83, be a member of one or more recognised schemes which between them provide for complaints in relation to every prescribed matter to be subject to investigation. Each society must also secure that bodies associated with it accede to such schemes in relation to prescribed matters within the powers of such bodies.

The newly prescribed matters correspond to powers conferred on societies by the variation of the powers in Schedule 8 of the Act by the Building Societies (Commercial Assets and Services) Order 1988 (S.I. 1988/1141), or by designation of bodies which are permitted to be the subject of investment and support by building societies. Appropriate mortgage corporations, which advance money on the security of land are designated as such bodies by the Building Societies (Designation of Qualifying Bodies) Order 1990 (S.I. 1990/1434).

The newly prescribed matters, which a complaints scheme must cover are the operation etc of accounts by associated mortgage companies advancing more on the security of land (paragraph 1 of the Schedule to the Order) banking services, trusteeship and executorship (paragraph 2 of the Schedule, substituting new paragraphs 6, 7 and 8 for paragraphs 6 to 9 of Schedule 12 to the Act). The substituted paragraph 6 replaces the more limited categories of money transmission services, foreign exchange facilities, agency payments and receipts and provision of credit with the comprehensive category of banking services. Paragraphs 7 and 8 correspond respectively with the new powers to provide trusteeship and executorship facilities.