ELIZABETH II

1981 CHAPTER viii

An Act to provide for the transfer to Lloyds Bank Limited of the undertaking of Lewis's Bank Limited; and for other purposes incidental thereto and consequential thereon. [15th April 1981]

WHEREAS Lloyds Bank Limited (hereinafter called "Lloyds") is a company incorporated under the Companies Act 1862 as a company limited by shares and carries on in the United Kingdom and elsewhere the business of banking: 1862 c. 89.

And whereas Lewis's Bank Limited (hereinafter called "Lewis's") is a company incorporated under the Companies Act 1929 as a company limited by shares and also carries on in the United Kingdom (but not elsewhere) the business of banking: 1929 c. 23.

And whereas Lewis's is a wholly-owned subsidiary of Lloyds:

And whereas for the better conduct of the businesses of Lloyds and Lewis's it is expedient to make provision for the fusion of the undertaking of Lewis's with Lloyds by the transfer to Lloyds of the undertaking of Lewis's as provided in this Act:

And whereas it is expedient that the said transfer should be effected economically and without interference with the conduct and continuity of the businesses of Lloyds and Lewis's:

And whereas it is expedient that the said transfer should be effected as provided in this Act and that the other provisions contained in this Act relative thereto and consequential thereon should be enacted:

And whereas the purposes of this Act cannot be attained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted, and be it enacted, by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title.

1. This Act may be cited as the Lloyds Bank Act 1981.

Interpretation.

2. In this Act, unless the subject or context otherwise requires—

" customer " includes any person having a banking account or other dealing, transaction or arrangement with Lloyds or Lewis's (as the case may be) in the course of business;

" existing " means existing or in force (as the case may require) immediately before the specified date;

" Lewis's " means Lewis's Bank Limited;

" Lloyds " means Lloyds Bank Limited;

" security " includes a mortgage or charge (whether legal or equitable), debenture, guarantee, lien, pledge (whether actual or constructive), hypothecation, indemnity, undertaking or other means of securing payment or discharge of a debt or liability or obligation (whether present or future, actual or contingent);

" specified date " means 21st May 1981;

" undertaking " means the existing banking business and undertaking of Lewis's and includes all existing property, rights, liabilities and obligations of Lewis's of whatsoever nature, and whether or not assignable at law or in equity, and wheresoever situate and whether Lewis's holds or is subject to the same beneficially or in any fiduciary capacity;

" will " includes a codicil or any other testamentary writing.

Transfer of undertaking.

3.—(1) On the specified date the undertaking shall, by virtue of this Act and without further assurance, be transferred to and

vested in Lloyds to the intent that Lloyds shall succeed to the whole of the undertaking.

(2) For the avoidance of doubt it is hereby declared that the transfer or vesting effected by virtue of this Act shall not—

(*a*) constitute a purchase or creation of an interest in land for the purposes of section 30(2) of the Landlord and Tenant Act 1954; or 1954 c. 56.

(*b*) operate as a breach of covenant or condition against alienation; or

(*c*) constitute an assignment, transfer, devolution, parting with possession or other disposition of an interest in land for the purposes of any provision relating to assignment, transfer, devolution, parting with possession or other disposition contained in any instrument concerning that interest; or

(*d*) give rise to any forfeiture; or

(*e*) invalidate or discharge any contract or security; or

(*f*) operate so as to merge any leasehold interest so transferred to, or vested in, Lloyds in the reversion expectant thereon held by Lloyds immediately before the specified date or to merge any leasehold interest held by Lloyds immediately before the specified date in the reversion expectant thereon transferred to, or vested in, Lloyds by virtue of this Act.

Supplementary provisions as to banking business.

4. Without prejudice to the generality of the foregoing provisions of this Act, the following provisions shall have effect in relation to the undertaking:—

(*a*) any account between Lewis's and a customer at any existing office or branch of Lewis's shall be transferred to Lloyds on the specified date and shall become on and after that date an account between Lloyds and such customer with the same rights and subject to the same obligations and incidents (including rights of set-off) as would have been applicable thereto if such account between Lewis's and the customer had continued and such account shall be deemed for all purposes to be a single continuing account and so that any instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given by or on behalf of such customer in relation to such account and subsisting at or given after the specified date shall, unless and until

revoked or cancelled, apply and have effect in relation to such account after its transfer to Lloyds as aforesaid and any notification given to or in respect of such customer in relation to such account by Lewis's shall be deemed to have been a notification by Lloyds unless and until varied by Lloyds;

(*b*) any security in favour of Lewis's, an agent for Lewis's or a nominee for Lewis's for the payment of debts or liabilities (whether present or future, actual or contingent) of any person shall on and after the specified date be held by and be available to Lloyds as security for the payment of such debts and liabilities to Lloyds and where the security extends to future advances or to future liabilities of such person, the said security shall on and after that date be held by and be available to Lloyds as security for future advances to the said person by, and future liabilities of the said person to, Lloyds to the same extent to which future advances by, or liabilities to, Lewis's were secured thereby immediately before the specified date;

(*c*) Lloyds shall, in relation to any security transferred to it in accordance with or by virtue of the provisions of section 3 (Transfer of undertaking) of this Act and the moneys thereby secured, be entitled to the same rights and priorities and subject to the same obligations and incidents as Lewis's would have been entitled and subject to if the same had continued to be held by it;

(*d*) the custody of any document, goods or other property held by Lewis's as bailee or depository for any other person at any office or branch of Lewis's shall be transferred or deemed to be transferred to Lloyds on the specified date and the rights and obligations of Lewis's under any contract of bailment or deposit relating to such document, goods or property shall be transferred or deemed to be transferred on that date to Lloyds;

(*e*) any negotiable instrument or order for payment of money, whether drawn, given, accepted or endorsed before, on or after the specified date, which is expressed to be drawn on, or given to, or accepted or endorsed by, Lewis's, or payable at any place of business of Lewis's shall have the same effect on and after the specified date as if it had been drawn on, or given to, or accepted or endorsed by Lloyds, or payable at the same place of business of Lloyds;

(*f*) any judgment or award obtained by or against Lewis's and not fully satisfied before the specified date shall be enforceable only by or against Lloyds;

(*g*) where by the operation of any of the provisions of this Act, any right, liability or obligation becomes a right or liability or obligation of Lloyds, Lloyds and all other persons shall, on and from the specified date, have the same rights, powers and remedies (and in particular the same rights and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, liability or obligation as if it had at all times been a right, liability or obligation of Lloyds; and any legal proceedings or applications to any authority pending immediately before the specified date by or against Lewis's may be continued by or against Lloyds.

Saving of contracts, etc. 1979 c. 37.

5.—(1) Subject to the provisions of this Act, all contracts, agreements, conveyances, deeds, leases, licences (other than licences granted under the Banking Act 1979), guarantees, bonds, indemnities, instructions and other instruments or undertakings entered into by or made with or addressed to Lewis's (whether alone or with any other person and whether as principal or agent) before and in force on the specified date shall on and after that date to the extent that they were previously binding upon and enforceable against Lewis's, be binding and have full force and effect in every respect against or in favour of Lloyds as fully and effectually as if, instead of Lewis's, Lloyds had been a party thereto or bound thereby or entitled to the benefit thereof:

Provided that no director, secretary or auditor of Lewis's shall by virtue only of this Act become a director, secretary or auditor (as the case may be) of Lloyds.

(2) In relation to every contract of employment to which subsection (1) of this section applies, the provisions of the said subsection shall operate to substitute Lloyds for Lewis's on the specified date but shall not constitute a termination of such contract for the purposes of the Employment Protection (Consolidation) Act 1978. 1978 c. 44.

Pensions.

6.—(1) The trust deeds and rules constituting and relating to Lewis's Bank Staff Pension Scheme shall, on and from the specified date, be construed and have effect, so far as the context permits, as if for any reference therein to Lewis's (except in the name thereof) there were substituted a reference to Lloyds.

(2) No officer or servant of Lewis's who, by virtue of this Act, becomes an officer or servant of Lloyds shall be entitled as of right to participate in the Lloyds Bank Pension Scheme and no existing officer or servant of Lloyds shall be entitled as of right to participate in the Lewis's Bank Staff Pension Scheme.

Application of Act to enactments, documents and wills.

7.—(1) Subject to the provisions of this Act, where—

(*a*) any enactment other than an enactment in this Act; or

(*b*) any document whensoever made or executed;

contains any reference express or implied to Lewis's such reference shall, on and after the specified date and except where the context otherwise requires, be read, construed and have effect as a reference to Lloyds.

(2) Any reference (however worded and whether express or implied) to the directors or to any director, officer or servant of Lewis's shall on and from the specified date be construed and have effect as if it were, as respects anything falling to be done thereafter, a reference (as the case may require) to the directors of Lloyds or to such director, officer or servant of Lloyds as Lloyds may appoint or, in default of appointment, to the director, officer or servant of Lloyds who corresponds as nearly as may be to the first-mentioned director, officer or servant.

(3) Any will, whether made before, on or after the specified date, by a person dying on or after the specified date which appoints or purports to appoint Lewis's to be executor or trustee thereof shall be construed and have effect as if for any reference therein to Lewis's as such executor or trustee or otherwise in connection with such appointment, there were substituted a reference to Lloyds.

(4) No testamentary gift shall be adeemed by reason only of the operation of any of the provisions of this Act.

Evidence and books and documents.

8.—(1) All books and other documents which would before the specified date have been admissible in evidence in respect of any matter for or against Lewis's shall be admissible in evidence in respect of the same matter for or, as the case may be, against Lloyds.

(2) In this section " documents " has the same meaning as in section 10 of the Civil Evidence Act 1968.

1968 c. 64.

Application of Bankers' Books Evidence Act 1879.

9.—(1) On and after the specified date, the Bankers' Books Evidence Act 1879 shall apply to the books of Lewis's transferred to Lloyds by virtue of this Act, and to entries made therein before the specified date as if such books were the books of Lloyds.

1879 c. 11.

(2) For the purposes of section 4 of the said Act of 1879 books so transferred to Lloyds shall be deemed to have been the ordinary books of Lloyds at the time of making any entry therein which purports to have been made before the specified date and any such entry shall be deemed to have been made in the usual and ordinary course of business.

(3) In this section " books " has the same meaning as in the said Act of 1879.

Evidence of transfer.

10. The production of a Queen's Printer's copy of this Act shall on and after the specified date be conclusive evidence in all courts and proceedings of the transfer and vesting in accordance with this Act of the undertaking; and without prejudice to the generality of the foregoing, any such copy of this Act shall, in relation to any registered securities within the meaning of the Stock Transfer Act 1963 which are transferred and vested by virtue of this Act, operate for all the purposes of the said Act of 1963 or of the Stock Exchange (Completion of Bargains) Act 1976 as a duly executed stock transfer in respect of the transfer and vesting of such securities.

1963 c. 18.

1976 c. 47.

Saving for Lloyds.

11. Nothing in this Act shall derogate from or prejudice the powers of Lloyds to alter its memorandum and articles of association or to dispose of, or deal with, its assets or to carry on or discontinue its business or any part thereof.

Maintenance of share capital and dissolution of Lewis's.

12.—(1) Pending any dissolution of Lewis's pursuant to the provisions of subsection (2) of this section, Lloyds shall become and be indebted to Lewis's on the specified date in a sum equal to the nominal value of the existing issued share capital of Lewis's and such indebtedness shall be payable on demand.

(2) At any time after the specified date the Registrar of Companies may, at the request of Lloyds, strike Lewis's off the register and thereupon Lewis's shall be dissolved.

(3) Notwithstanding section 354 of the Companies Act 1948 (which relates to the property of a dissolved company), on the day on which Lewis's is struck off the register under subsection (2) above all documents required to be kept by Lewis's pursuant to the provisions of the Companies Acts 1948 to 1980 shall by virtue of this Act be transferred to and vested in Lloyds.

1948 c. 38.

Saving for provisions concerning banking institutions.

13. Nothing in this Act shall exempt any institution from the provisions of any enactment relating to institutions carrying on the business of banking or deposit taking.

Application of Act to Scotland and Northern Ireland.

14.—(1) This Act shall extend to Scotland and Northern Ireland.

(2) In the application of this Act to Scotland the following provisions shall have effect:—

(*a*) In the construction of this Act—

(i) for the reference in subsection (2) of section 8 (Evidence and books and documents) of this Act to

1968 c. 64. section 10 of the Civil Evidence Act 1968, there shall be substituted a reference to section 17 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968;

1968 c. 70.

(ii) the expression " debenture " includes a floating charge or any instrument containing a floating charge;

(iii) the expression " mortgage " includes a standard security, an assignation or disposition ex facie absolute and any agreement qualifying the same, a bond and disposition or assignation in security, a cash credit bond and disposition or assignation in security, an assignation in security and any real right or burden of whatever kind in the nature of a security; and

(iv) the expression " will " includes a trust disposition and settlement and any deed taking effect on the death of any person whereby any part of his estate is disposed of, or under which a succession thereto arises:

(*b*) All mortgages expressed to be in favour of Lewis's transferred to and vested in Lloyds on the specified date by virtue of this Act shall, on and from that date, have the same effect in favour of Lloyds up to the maximum amounts secured thereby respectively in all respects as if they had been originally granted in favour of Lloyds for such maximum amounts:

(*c*) To enable Lloyds (to which by virtue of this Act there is transferred any heritable or leasehold property vested in Lewis's redeemably or irredeemably) to complete title, if thought fit, to such property by notice of title or otherwise or to deduce title, this Act shall be deemed to be, and may be used as, a general disposition, conveyance or assignation, as the case may require, of such property in favour of Lloyds.

(3) In the application of this Act to Northern Ireland the following provisions shall have effect:—

(*a*) For paragraph (*a*) of subsection (2) of section 3 (Transfer of undertaking) of this Act there shall be substituted the following paragraph:—

" (*a*) be taken as the purchase or creation of an estate for the purposes of section 10 (3) of the Business Tenancies Act (Northern Ireland) 1964; ";

1964 c. 36 (N.I.).

(*b*) For the reference in subsection (2) of section 5 (Saving of contracts, etc.) of this Act to the Employment Protection (Consolidation) Act 1978 there shall be substituted

1978 c. 44.

a reference to the Contracts of Employment and Redundancy Payments Act (Northern Ireland) 1965; 1965 c. 19 (N.I.).

(*c*) For the reference in section 8 (Evidence and books and documents) of this Act to section 10 of the Civil Evidence Act 1968 there shall be substituted a reference to section 6 of the Civil Evidence Act (Northern Ireland) 1971; and 1968 c. 64. 1971 c. 36 (N.I.).

(*d*) For the reference in section 10 (Evidence of transfer) of this Act to the Stock Transfer Act 1963 there shall be substituted a reference to the Stock Transfer Act (Northern Ireland) 1963 and for the reference in the Stock Exchange (Completion of Bargains) Act 1976 there shall be substituted a reference to the Stock Exchange (Completion of Bargains) (Northern Ireland) Order 1977. 1963 c. 18. 1963 c. 24 (N.I.). 1976 c. 47. S.I. 1977/1254 (N.I. 21).

15. The costs, charges and expenses preliminary to, and of and incidental to, the preparing for, obtaining and passing of this Act, or otherwise in relation thereto, shall be paid by Lloyds. Costs of Act.

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Lloyds Bank Act 1981

CHAPTER viii

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