

Trustee Savings Banks Act 1969

1969 CHAPTER 50

An Act to consolidate the Trustee Savings Banks Acts 1954 to 1968, with amendments to give effect to recommendations of the Law Commission and the Scottish Law Commission. [25th July 1969]

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:—

Establishment of trustee savings banks

Conditions under which a savings bank may obtain the benefit of this Act.

1.—(1) A savings bank shall have the benefit of this Act (including the privilege of paying money into the Bank of England or the Bank of Ireland in return for interest-bearing receipts) if the conditions set out in this section and section 2 of this Act are fulfilled.

(2) A savings bank shall not have the benefit of this Act unless its formation was sanctioned and approved by the National Debt Commissioners (hereafter in this Act referred to as "the Commissioners") or on their behalf by the Comptroller General or Assistant Comptroller of the National Debt Office; but this subsection shall not apply to any savings bank formed before 28th July 1863 (that is to say the date on which the Trustee Savings Banks Act 1863 was passed). 1863 c. 87.

(3) In this section and in sections 2 and 3 of this Act "savings bank" means a society formed in the United Kingdom, the Isle of Man or any of the Channel Islands for the purpose of establishing and maintaining an institution in the nature of a bank—

(*a*) to accept deposits of money for the benefit of the persons making the deposits and deposits of money by a trustee, and

(*b*) to accumulate the produce of the deposits (so far as not withdrawn) at compound interest, and

(*c*) to return the deposits and produce to the depositors after deducting any necessary expenses of management but without deriving any benefit from the deposits or produce.

Requirements as to bank rules.

2.—(1) A savings bank shall not have the benefit of this Act unless the rules of the bank expressly provide for the matters set out in Schedule 1 to this Act nor unless those rules—

(*a*) have been certified and deposited with the Commissioners in pursuance of this section, and

(*b*) have been entered in a book to be kept by an officer of the bank appointed for that purpose which is to be open at all proper times for inspection by depositors.

(2) For the purpose of ascertaining whether the rules are in conformity with law and with the provisions of this Act, two copies of all the rules of the bank signed by two trustees of the bank shall be submitted by the trustees and managers of the bank to the Registrar.

(3) The Registrar shall certify on each copy that the rules are in conformity with law and with the provisions of this Act or point out in what respect they are repugnant thereto.

(4) One of the copies when so certified shall be returned to the savings bank and the other copy shall be deposited by the Registrar with the Commissioners.

(5) Rules made under section 76, 80 or 81 of this Act shall not be taken as forming part of the rules of a bank for the purposes of this section.

Certification of a trustee savings bank.

1954 c. 63.

1863 c. 87.

3. A savings bank established under this Act shall be certified under this Act by the title of " savings bank certified under the Trustee Savings Banks Act 1969 ", and a bank certified under this Act, the Trustee Savings Banks Act 1954 or the Trustee Savings Banks Act 1863 is hereafter in this Act referred to as a " trustee savings bank ".

The Inspection Committee

Constitution of the Inspection Committee.

4.—(1) There shall continue to be an Inspection Committee of trustee savings banks with the several powers and duties conferred by the following provisions of this Act.

(2) The Inspection Committee shall, with the approval of the Commissioners, make a scheme which, subject to the provisions of this Act, makes provision—

(*a*) with respect to the composition of the Committee, and to the appointment, tenure of office and vacation of

office of members of the Committee, and to the procedure of the Committee;

(*b*) for revoking the scheme made under section 2 of the Savings Banks Act 1891 (which established an Inspection Committee of trustee savings banks and required certain persons to frame a scheme for the appointment of the Committee). 1891 c. 21.

(3) The Committee may, with the approval of the Commissioners, modify the scheme made under this section.

(4) A paid officer of a trustee savings bank shall not be eligible to be a member of the Committee.

(5) The Committee may act by a majority of the members present and voting at any meeting of the Committee, and may signify their acts by an instrument in writing signed by any two of the members of the Committee, and an act of the Committee shall not be invalid by reason only of any vacancy in their number.

(6) The Committee may, with the approval of the Minister for the Civil Service, appoint such officers as may appear to be required for the execution of the duties of the Committee under this Act.

(7) The members of the Committee shall be entitled to such remuneration by way of fees or otherwise, and to such reasonable travelling expenses in respect of attendance at meetings of the Committee, as may be approved by the said Minister.

(8) The power to make a scheme under this section, and the power to modify it, shall be exercisable by statutory instrument which shall be laid before Parliament, and the Statutory Instruments Act 1946 shall apply to a statutory instrument containing such a scheme or modification in like manner as if the scheme or modification had been made by a Minister of the Crown. 1946 c. 36.

General provisions as to conduct of trustee savings banks

Title of a trustee savings bank.

5. A trustee savings bank may not be designated or described in any manner which imports that the Government is responsible or liable to depositors for money placed in the safe keeping of the bank, and may not bear any title other than that of "savings bank certified under the Act of 1863" or, as the case may be, "savings bank certified under the Trustee Savings Banks Act 1954" or "savings bank certified under the Trustee 1954 c. 63.

Savings Banks Act 1969" with such additional local description, if any, as may be required for the sake of distinctiveness.

Alteration of bank rules.

6.—(1) No alteration of the rules of a trustee savings bank shall take effect until it has been entered in the book mentioned in section 2 of this Act.

(2) Subject to subsection (3) below, two copies of any alterations of the rules signed by two trustees shall as soon as possible be submitted by the trustees of the bank to the Registrar and the Registrar shall certify on each copy that they are in conformity with law and with the provisions of this Act or point out in what respect they are repugnant thereto.

(3) An alteration as respects the days or hours of attendance need not be submitted to the Registrar.

(4) One of the copies when so certified shall be returned to the trustee savings bank and the other copy shall be deposited by the Registrar with the Commissioners.

(5) The foregoing provisions of this section shall not apply in relation to any alteration of rules made under section 76, 80 or 81 of this Act.

(6) In this section "alteration" includes repeal.

General provisions as to bank rules.

7.—(1) Subject to section 6(1) of this Act, the rules of a trustee savings bank, and any alterations of those rules, shall, from the time when they are certified by the Registrar, be binding on the trustees, managers and officers of the bank and on the depositors.

(2) The copy of any rules of a trustee savings bank, transmitted under this Act to the Commissioners, or a true copy examined with the original copy so transmitted, and proved to be a true copy, shall be admissible as evidence of the rules in all cases.

Objects on which a trustee savings bank may expend money.

8.—(1) Any expenditure incurred by a trustee savings bank which, in the opinion of the Commissioners, is calculated to further the objects of the bank shall be deemed to be necessary expenses within the meaning of section 1 of this Act.

(2) The trustees of a trustee savings bank may, with the consent of the Commissioners given after consultation with the Inspection Committee and the Association, and subject to such conditions as the Commissioners after such consultation as aforesaid may impose either generally or in the case of any

particular bank, undertake any business which is, in the opinion of the Commissioners, calculated to encourage thrift and within the financial capacity of the bank.

(3) The trustees of a trustee savings bank may defray all or any of the expenses of a penny savings bank which has a deposit account with the trustee savings bank.

(4) Any expenses properly incurred by a bank in carrying on such a business as is mentioned in subsection (2) above and any expenses defrayed under subsection (3) above shall be deemed to be necessary expenses within the meaning of section 1 of this Act.

(5) In this Act "the Association" means the association registered under the Companies Acts 1908 to 1917, by the name of the Trustee Savings Banks Association.

Bank property to be held by custodian trustees.

9.—(1) All property of whatsoever description belonging to a trustee savings bank, including things in action or interests arising out of or incident to any property, shall be vested in the custodian trustees of the bank to be appointed under this section.

(2) It shall be the duty of the trustees of every trustee savings bank (in this section referred to as "the general trustees") as soon as may be to appoint out of their own number four persons to be the custodian trustees of the bank, and from time to time, when a vacancy occurs in the number of the custodian trustees, to appoint out of their own number a person to fill the vacancy.

(3) If the general trustees of a trustee savings bank fail, within three months after the occurrence of a vacancy in the number of the custodian trustees, to fill the vacancy the power of the general trustees to fill the vacancy shall be transferred to the Inspection Committee, and the Committee shall fill the vacancy accordingly.

(4) The Inspection Committee may, on the application of the general trustees of a trustee savings bank, remove any custodian trustee of the bank if, in the opinion of the Committee, he is unfit to continue in office or incapable of performing his duties, and a custodian trustee may, with the approval of the Inspection Committee, resign his office as such.

(5) A custodian trustee may continue to hold office as a general trustee, and may continue to hold office as custodian trustee notwithstanding that he has ceased to be a general trustee.

(6) All property of whatsoever description vested in any person in trust for a trustee savings bank at the date of the first appointment of the custodian trustees of the bank shall, by virtue of this Act, vest in the custodian trustees so appointed, and thereafter all property of whatsoever description vested in the custodian trustees of a trustee savings bank shall, on the occurrence of any vacancy in the number of custodian trustees or any change in the persons who are custodian trustees, by virtue of this Act, vest in the custodian trustees of the bank for the time being; but on there ceasing to be any custodian trustees of a bank the property shall thereupon, by virtue of this Act, vest in the general trustees of the bank until the appointment of new custodian trustees.

(7) The management of the property and the exercise of any power or discretion exercisable by the general trustees shall remain vested in the general trustees, and the custodian trustees shall concur in and perform all acts necessary to enable the general trustees to exercise their powers of management or other power or discretion vested in them.

(8) Documents executed and things done by the custodian trustees of a trustee savings bank in relation to property vested in those trustees for the bank, or on or in connection with the acquisition of property to be so vested, shall be conclusively presumed to have been executed or done by them by the direction and on behalf of the trustees of the bank.

(9) Any document to be executed by the custodian trustees of a trustee savings bank may be executed by any three in the name of all of them.

(10) The custodian trustees of a trustee savings bank may sue and be sued by the name of " the Custodian Trustees for the Trustee Savings Bank " without further description, and in all legal proceedings concerning any property of the bank the property may be stated to be the property of the custodian trustees of the bank; but nothing in this section shall affect any proceedings by or against or relating to the property of a trustee savings bank, which are pending at the time of the first appointment of custodian trustees for that bank.

Register of custodian trustees and certificates as to custodian trustees and property.

10.—(1) The Commissioners shall in respect of each trustee savings bank keep a register of the custodian trustees of the bank, and shall enter in the register the date of the appointment of each custodian trustee and, on his vacating office, the date on which he vacates office.

(2) A certificate purporting to be signed by the Comptroller General or Assistant Comptroller of the National Debt Office to the effect that the persons named in the certificate were on any specified date custodian trustees of a trustee savings bank

or that any property mentioned in the certificate was, at the date of the first appointment of custodian trustees for a trustee savings bank, held by a person named in the certificate in trust for that bank shall be conclusive evidence for all purposes of the facts stated in the certificate.

(3) The general trustees of every trustee savings bank shall forthwith, after the appointment of custodian trustees, send to the Commissioners such particulars as the Commissioners may require for the purposes of subsections (1) and (2) above, and thereafter shall from time to time send to the Commissioners such particulars as the Commissioners may require for the purposes of the said register.

(4) Any person acting in pursuance of any such certificate shall not by reason only of anything contained therein be affected with notice of any trust or of the fiduciary character of the persons named therein or of any fiduciary obligation attached to the holding of any property.

Power to purchase and dispose of property, erect buildings, etc.

11.—(1) The trustees of a trustee savings bank shall have power, with the consent of the Commissioners, to purchase land or erect buildings for the purposes of the bank, and with the like consent to sell, exchange or lease any land or buildings acquired for the purposes of the bank, or any part of such land or buildings.

(2) The power of the trustees of a trustee savings bank to purchase land or erect buildings for the purposes of the bank shall include power to incur expenditure of a capital nature on the doing of work to land or buildings provided for the purposes of the bank.

(3) No purchaser, assignee or tenant shall be entitled to inquire as to the authority for, or consent of the Commissioners to, any sale, exchange or lease under this section and the receipt of the custodian trustees for the time being shall be a discharge for all moneys accruing from or in connection with such a sale, exchange or lease.

(4) A certificate signed by the Comptroller General or Assistant Comptroller of the National Debt Office stating that a purchase of land has been made with the consent of the Commissioners and with the money belonging to a trustee savings bank shall be conclusive evidence thereof for all purposes.

Distinction between ordinary deposits and sums received for special investment and between different kinds of ordinary deposits

Ordinary deposits and special investments.

12.—(1) Save as otherwise provided by this Act, all sums of money deposited with the trustees of a trustee savings bank shall be invested with the Commissioners in accordance with the provisions of this Act in that behalf.

(2) Notwithstanding the provisions of subsection (1) above, the trustees of a trustee savings bank may under the conditions laid down by the following provisions of this Act, and if the rules of the bank so provide, receive any sum of money from a depositor and apply it in any other manner for the benefit of the depositor.

(3) Deposits for investment under subsection (1) above are in this Act referred to as " ordinary deposits " and the investment of money received under subsection (2) above is in this Act referred to as " special investment ".

Current account deposits and meaning of " savings account deposit ".

13.—(1) The provisions of this Act shall not be construed as preventing a trustee savings bank from having the benefit of this Act by reason only of the acceptance by the bank of ordinary deposits of money to be placed in the books of the bank to the credit of an account (in this Act referred to as a " current account ") opened on the terms that—

(*a*) the money is to be available for payment of any cheque drawn on, or against any other written order given to, the bank by the person in whose name the account stands ; and

(*b*) no interest shall be paid by the bank on money standing to the credit of the account.

(2) Section 1(3)(*c*) of this Act shall not be construed as requiring a trustee savings bank to return to depositors the produce of ordinary deposits accepted by the bank as mentioned in subsection (1) above.

(3) The matters for which, under section 2 of this Act, the rules of a trustee savings bank must expressly provide shall, in the case of a bank by which a service consisting of the operation of current accounts for depositors of money with the bank is provided, include the matters set out in Schedule 2 to this Act.

(4) Hereafter in this Act—

" current account deposit " means an ordinary deposit accepted by a trustee savings bank as mentioned in subsection (1) above ;

" savings account deposit " means an ordinary deposit, not being a current account deposit ;

" current account service " means such a service as is mentioned in subsection (3) above.

Ordinary deposits

Limits on amount of ordinary deposits.

14.—(1) The Treasury may by order limit the amount which may be received by a trustee savings bank from any person whatsoever by way of savings account deposit either in any one year or in the aggregate.

(2) The Treasury may by order limit the amount which may be received by a trustee savings bank from any person by way of current account deposit in any one year, or the amount which at any time may stand in its books to the credit of the current account of a person.

(3) For the purposes of this section a person who is a trustee shall be treated separately in his personal capacity and in his capacity as trustee, and in the latter capacity separately in respect of each separate trust fund.

(4) An order under this section—

(*a*) may fix different limits as respects different classes of persons;

(*b*) may provide that any limit fixed by the order shall have effect subject to any exceptions or exclusions specified in the order;

(*c*) may contain special provisions with respect to depositors whose deposits, at the date on which the order takes effect, exceed the limit fixed by the order as respects deposits;

(*d*) may contain such consequential and supplemental provisions as appear to the Treasury to be necessary for giving full effect to the order; and

(*e*) may be revoked or varied by a subsequent order.

(5) The power to make orders conferred by this section shall be exercisable by statutory instrument and a draft of every statutory instrument made under that power shall be laid before Parliament.

Payment of interest on ordinary deposits.

15.—(1) The interest payable to depositors by the trustees of a trustee savings bank in respect of ordinary deposits shall not exceed the rate of £2 10s. 0d. per cent. per annum.

(2) The said interest shall be computed half yearly to 20th May and 20th November, or yearly to 20th November in each year, as the case may be, and to no other period.

(3) The trustees and managers of a trustee savings bank may direct that all interest payable to the depositors in the bank shall yearly, or twice in each year, be carried to the credit of the respective depositors and become principal and carry interest like other principal moneys.

Transfer of deposits to other trustee savings banks.

16.—(1) A depositor in a trustee savings bank who desires to transfer an ordinary deposit belonging to him to another trustee savings bank shall, on application to the first bank, be furnished with a certificate stating the whole amount due to him, with interest, and thereupon his account at that bank shall be closed.

(2) When the certificate has been delivered to the trustees or managers of the other bank and the depositor has signed the declaration required in the case of a new depositor, they shall forthwith open an account for the amount stated in the certificate, and the amount so stated shall, upon the certificate being forwarded to the Commissioners, be transferred in the books of the Commissioners from the first bank to the other bank.

(3) In subsection (1) above, the second reference to a trustee savings bank shall include a reference to a trustee savings bank in the Republic of Ireland.

Sums received for special investment

Restriction on power to receive money for special investment and limits on amount which may be received.

17.—(1) The trustees of a trustee savings bank shall not have power under section 12(2) of this Act to receive money for special investment except by way of deposit repayable in cash and not otherwise.

(2) The Treasury may by order under this section limit the amount which may be received by a trustee savings bank from any person for special investment either in any one year or in the aggregate.

(3) For the purposes of this section a person who is a trustee shall be treated separately in his personal capacity and in his capacity as trustee, and in the latter capacity separately in respect of each separate trust fund.

(4) An order under this section—

(*a*) may fix different limits as respects different classes of persons;

(*b*) may provide that any limit fixed by the order shall have effect subject to any exceptions or exclusions specified in the order;

(*c*) may contain special provisions with respect to persons to whose credit there stand, at the date on which the order takes effect, amounts exceeding the limit fixed by the order;

(*d*) may contain such consequential and supplemental provisions as appear to the Treasury to be necessary for giving full effect to the order; and

(*e*) may be revoked or varied by a subsequent order.

(5) The power to make orders conferred by this section shall be exercisable by statutory instrument, and a draft of every statutory instrument made under that power shall be laid before Parliament.

Other restrictions on special investments.

18.—(1) A special investment shall not be made on behalf of any person unless he is at the time of the making of the investment a depositor in the bank to the extent of not less than £50, but nothing in this subsection shall prevent the continuance of special investments on behalf of a person who was before 3rd July 1891 (being the date of the passing of the Savings Banks Act 1891) a depositor under section 16 of the Trustee Savings Banks Act 1863 (being the section which then authorised the making of special investments).

1891 c. 21.
1863 c. 87.

(2) The rules of a trustee savings bank making special investments shall, as respects those investments, provide that the trustees shall have power to demand at least one month's notice in advance of any repayment, of whatever amount, required by a depositor.

(3) The trustees of a trustee savings bank making special investments shall cause to be printed, in the pass-books in use for the purpose of special investments, a notice stating that the security of any special investment is not in any way guaranteed by the Government.

Current account service

Conditions of opening and maintaining current accounts.

19.—(1) A current account shall not be opened in the books of a trustee savings bank in the name of a person except upon a written application by him, and no such application shall be granted unless—

(*a*) it appears to the bank, after undertaking such inquiries as appear to the bank to be necessary, that the applicant is a suitable person to operate a current account; and

(*b*) the applicant has, immediately before the application is granted, a savings account deposit with the bank of not less than such amount as the rules of the bank may provide, or has had, throughout a period ending with the granting of the application and of not less than such length as the said rules may provide, a savings account deposit with the bank.

(2) A current account shall not be opened in the books of a trustee savings bank in the names of two or more persons if any of those persons, but not the other or others, is described in the account as a trustee.

(3) An application for the opening of a current account in the books of a trustee savings bank must contain a declaration by the applicant that he will not operate the account either wholly or partly as a trade or business account.

(4) A trustee savings bank shall have the right at any time, after giving reasonable notice of its intention so to do, to close

any current account standing in the books of the bank; and, if at any time the person in whose name a current account stands in the books of a trustee savings bank operates that account either wholly or partly as a trade or business account, or ceases to have a savings account deposit at the bank, no sums shall after that time be debited by the bank to the current account except in pursuance of instructions to the bank the giving of which appears to the bank to have been initiated before that time, and the bank shall, after giving reasonable notice of its intention so to do, close the current account.

(5) The rules of a bank made for the purposes of paragraph (*b*) of subsection (1) above may provide for different amounts and periods of different lengths for different classes of person.

Operation of current accounts.

20.—(1) No sum shall, in pursuance of instructions in that behalf, be debited to the current account of a person at a trustee savings bank, if, on the date on which the instructions are given, the amount of the sum is not ascertained.

(2) No sum shall, in pursuance of instructions in that behalf, be debited to the account of the savings account deposits of a person or the special investments of a person and credited to the current account of that or any other person at the bank, if, on the date on which the instructions are given, the amount of the sum is not ascertained.

(3) No sum, other than a sum due to the bank in respect of a charge duly imposed by virtue of a charges scheme made by the bank under section 21 of this Act, shall be debited to the current account of a person at a trustee savings bank at any time unless there then stands to the credit of that account an amount not less than that sum.

1882 c. 61.

(4) Section 53(2) of the Bills of Exchange Act 1882 (which provides that in Scotland presentment of a bill of exchange operates as an assignment in favour of the holder of the bill of funds held by the drawee) shall not have effect in relation to funds being savings account deposits or special investments of a person at a trustee savings bank.

Charges schemes for contributing to defrayal of expenses of current account service.

21.—(1) A trustee savings bank shall not provide a current account service unless there is for the time being in force a scheme (hereafter in this Act referred to as a "charges scheme") made by the bank and approved by the Commissioners for the purpose of securing contributions towards the expenses incurred by the bank in providing that service which are defrayable under this Act.

(2) A trustee savings bank may, by virtue of a charges scheme, impose on persons in whose names current accounts stand in

its books charges of such amounts and in respect of such matters as may be specified in the scheme, including, without prejudice to the generality of the provisions of this subsection,—

(*a*) the issue of cheque forms;

(*b*) the use of any instrument requiring the bank to pay sums from moneys standing to the credit of a current account;

(*c*) the carrying out of any transaction made in compliance with an instrument requiring the bank to debit to a current account sums of specified amounts at different times;

(*d*) the maintenance of a current account.

(3) A charges scheme may be varied or revoked by a subsequent scheme made by the bank and approved by the Commissioners.

(4) Before approving a charges scheme made by a bank, the Commissioners must be satisfied that it is reasonable to expect that the aggregate of the following amounts, that is to say—

(*a*) the amounts received by the bank in respect of charges imposed by virtue of the scheme;

(*b*) the amount of the interest credited to the account of the bank in the books of the Commissioners under section 35 of this Act in respect of moneys paid into the Fund for the Banks for Savings and representing current account deposits; and

(*c*) the amount of any other sums paid or credited to the bank so far as, in the opinion of the Commissioners, they represent produce of such deposits;

will be not less than sufficient to meet the expenses mentioned in subsection (1) above, taking one year with another.

(5) Approval under this section of a charges scheme may be given subject to such limitations or conditions as the Commissioners think fit.

(6) If a trustee savings bank by which a current account service is provided ceases to provide that service, any sums which, after payment in accordance with the provisions of this Act of the expenses incurred by the bank in providing that service, stand in the books of the bank and represent amounts received by the bank in respect of charges imposed by virtue of a charges scheme made by the bank shall be deemed to be moneys forming part of the assets of the bank in respect of ordinary deposits.

Power of Commissioners to require variation of charges scheme or cesser of current account service.

22. If, at any time, in the case of a trustee savings bank which provides a current account service, the aggregate of the amounts mentioned in section 21(4) of this Act is not sufficient to meet the expenses mentioned in section 21(1) of this Act, and it appears to the Commissioners that the aggregate of those amounts will not be sufficient to defray those expenses, taking one year with another, the Commissioners—

(*a*) unless it appears to them that the charges scheme for the time being in force cannot be so varied as to satisfy them that it will be reasonable to expect that the aggregate of those amounts will be so sufficient taking one year with another, may direct the bank to vary, within such period as may be specified in the direction, that charges scheme so as so to satisfy them; or

(*b*) if it so appears to them, may direct the bank to cease, within such period as may be specified in the direction, to provide a current account service.

Defrayal of expenses of, or ancillary to, current account service.

23.—(1) The expenses incurred by a trustee savings bank during each year ending with the 20th November in providing a current account service, being expenses which in the opinion of the Commissioners are properly so incurred, shall be defrayed,—

(*a*) if those expenses are less than the amounts obtained by way of charges imposed by virtue of a charges scheme made by the bank and not expended by them under this section, out of those amounts; and

(*b*) in any other case, to the extent of those amounts, by means thereof, and, to the extent, if any, by which those amounts are insufficient to defray those expenses, as part of the necessary expenses of the bank within the meaning of section 1 of this Act.

(2) For the purposes of this Act, there shall be included among the expenses incurred by a bank in providing a current account service—

(*a*) so much of any expenses incurred by the bank which are attributable both to the provision of that service and to other matters as is, in the opinion of the Commissioners, attributable to that service; and

(*b*) any expenses incurred by the bank which, in the opinion of the Commissioners, are calculated to further the effectiveness of that service.

General provisions as to deposits

Prohibition on making a deposit in more than one bank.

24.—(1) Subject to the provisions of this section, it shall not be lawful for a person—

(*a*) who has a deposit in a trustee savings bank, or

(*b*) who is entitled to any benefit from the funds of a trustee savings bank, not being a benefit derived solely as personal representative of a deceased depositor,

to make a deposit in another trustee savings bank.

(2) For the purposes of this section a person who is a trustee shall be treated separately in his personal capacity and in his capacity as trustee, and in the latter capacity separately in respect of each separate trust fund.

(3) If a person at any time has a deposit in more than one trustee savings bank, he shall be liable to forfeit any amount illegally deposited, either as to the whole thereof, or to such extent as the Commissioners may think just in the circumstances of the case, and any money so forfeited shall be paid to the Commissioners and applied to the reduction of the National Debt.

(4) Where a bank has suspended payment, nothing in this section shall prevent a depositor in that bank from subsequently opening or having an account in another bank.

(5) Nothing in this section shall prevent a friendly society from having deposits in more than one bank.

(6) Nothing in this section shall prevent a depositor from belonging to or being interested in the funds of any friendly society or charitable institution or penny savings bank which has invested its funds in a trustee savings bank.

(7) Nothing in this section shall prevent a depositor, having closed his account in a bank, from making a deposit in another bank.

Particulars to be disclosed by a depositor.

25. No sum shall be paid into a trustee savings bank by a person by ticket or number or otherwise, without disclosing his name together with his profession, business, occupation or calling, and residence, all of which shall be entered in the books of the bank.

Power to relax requirements of rules as to receipt and repayment of deposits.

26.—(1) The Commissioners may, in the case of any trustee savings bank, authorise the receipt and repayment of deposits in accordance with arrangements approved by the Inspection Committee.

(2) Where any such authority is given, deposits may be received and repaid accordingly, notwithstanding anything in the rules of the bank and in particular notwithstanding anything included therein by virtue of paragraph 2 of Schedule 1 to this Act or by virtue of the provision in paragraph 9 of that Schedule for the presence of a second party in every transaction when money is paid or received.

Settlement of disputes.

27.—(1) If a dispute arises between the trustees and managers of a trustee savings bank and—

(*a*) a depositor, or

(*b*) a person who is or claims to be the personal representative or next of kin or creditor of a depositor or the successor in the trusts of any depositor, being a trustee, or

(*c*) the trustee in bankruptcy or assignee of a depositor who is bankrupt or insolvent, or

(*d*) a person who claims to be entitled to money deposited in the bank,

the matter in dispute shall be referred in writing to the Registrar.

(2) Upon the reference of the dispute the Registrar shall have power to proceed ex parte on giving notice in writing to the trustees of the bank left at, or sent by post to, the office of the bank.

(3) Any award, order or determination made by the Registrar shall be binding and conclusive on all parties and shall be final to all intents and purposes, without any appeal.

(4) On a reference under this section the Registrar may inspect any books belonging to the trustee savings bank relating to the matter in dispute, and may administer an oath to any witness appearing before him.

Regulations as to deposits.

28.—(1) Regulations may be made by the Treasury with the concurrence of the Commissioners prescribing what declarations shall be required from a depositor on opening an account in a trustee savings bank, and may require different declarations from a depositor on opening an account in respect of savings account deposits and on opening a current account.

(2) The Treasury shall make regulations for the purpose of extending to trustee savings banks any regulations made with respect to the National Savings Bank so far as those regulations provide—

(*a*) for the payment or transfer of sums which belong to persons appearing to be under the age of majority or incapable through disorder or disability of mind of managing their property and affairs, or form part of the personal estate of any persons appearing to be deceased; or

(*b*) for the transfer of deposits from one account to another account, whether an existing or a new account; or

(*c*) for determining the receipts which are to be a good discharge in the case of the payment or transfer of any sum.

(3) Regulations under this section may also provide—

(*a*) for the addition of one or more names to an account already in a trustee savings bank;

(*b*) for the nomination by a depositor not being under sixteen years of age of any person or persons to whom any sum or sums payable to the depositor at his decease (including any portion of any savings bank annuity or accrued interest payable to the representatives of the depositor) is or are to be paid at his decease;

(*c*) for the manner in which any such nomination may be revoked by the depositor, and for the circumstances in which it is to be treated as having ceased to be operative and for the payment of the specified amount to any nominee so nominated;

(*d*) for directing that any person acting as witness to a nomination shall be disqualified from taking thereunder;

(*e*) for authorising the trustee savings bank to treat as a depositor in the bank any person named as a nominee in any nomination who dies after the death of the nominator, but before receiving payment of the sum to be paid to him under the nomination;

(*f*) for providing that where any person to whom any sum, being the whole or any part of the deposit of a deceased depositor, is payable is unable by reason of any incapacity whatsoever to give a legal discharge therefor, the sum may be paid to any person undertaking to maintain the incapacitated person.

(4) The Treasury may make regulations applying to trustee savings banks, with or without modifications, the provisions of any regulations made with respect to the National Savings Bank so far as those regulations provide—

(*a*) for prescribing the means by which particular facts may be proved and the mode in which evidence thereof may be given, and for authorising proof of any particular facts given in the manner prescribed by the regulations to be treated as conclusive evidence of those facts for the purpose of the payment or transfer of any sum;

(*b*) for the purpose of the payment or transfer of any sum, for authorising a person to be treated as having been domiciled in the place in which he was resident at the date of his death;

(*c*) for directing that, except as provided by the regulations, no entry with respect to any trust, express, implied or constructive, shall be made in the account of any depositor, and that except as aforesaid no notice of any such trust shall be receivable by the Director of Savings;

(*d*) for determining the date on which a deposit is to be deemed to be withdrawn, and for prescribing the method by which payment of sums withdrawn is to be made;

but paragraph (*d*) above shall not have effect in relation to transactions concerning current accounts.

(5) Where the sum in a trustee savings bank which forms part of the personal estate of a person appearing to be deceased does not exceed £500, then, if the regulations under this section so provide, and subject to such regulations, probate, or other proof of the title of the personal representative of the deceased person may be dispensed with, and that sum may be paid or distributed to or among the persons appearing in manner provided by the regulations to be beneficially entitled to the personal estate of the deceased person, whether under such nomination of the deceased person as is allowed by the regulations, or by law, or as next of kin, or as creditors or otherwise, or to or among any one or more of such persons, exclusively of the others; and the person making such a payment shall be discharged from all liability in respect of the sum paid in accordance with the said regulations.

(6) The power to make regulations conferred by this section shall be exercisable by statutory instrument a draft of which shall be laid before Parliament.

Power to increase amount disposable on death without representation.

29.—(1) The Treasury may from time to time by order direct that section 28(5) of this Act shall have effect as if for the reference to £500 there were substituted a reference to such higher amount as may be specified in the order.

(2) Any order under this section shall apply in relation to deaths occurring after the expiration of a period of one month beginning with the date on which the order comes into force.

(3) Any order under this section may be revoked by a subsequent order and shall be made by statutory instrument; and no such order shall be made unless a draft of the order has been laid before Parliament and approved by a resolution of each House of Parliament.

Joint account in names of trustee and beneficiary.

30.—(1) Where the trustees and managers of a trustee savings bank accept a deposit from a person acting as trustee for some other person, they shall open an account in the names of both of those persons, but the person making a deposit under this section shall, on behalf of the beneficiary, make the declaration required in the case of a person making a deposit on his own account.

(2) Subject to subsection (4) below, repayment of any sum deposited in an account opened under subsection (1) above, or any part thereof, shall not be made—

(*a*) during the joint lives of the persons in whose names the account stands, without the receipt of both of those persons, or

(*b*) after the death of either or both of those persons, without the receipt of the survivor or the personal representative of the survivor;

and the receipt may be given either in person or, subject to subsection (6) below, by an agent appointed in writing in a form approved by the trustees of the bank.

(3) Subject to subsection (4) below, a receipt given in accordance with subsection (2) above shall alone be a good discharge to the trustees and managers of a bank in respect of the repayment of any sum deposited in an account opened under subsection (1) above.

(4) Where either of the persons in whose names an account opened under subsection (1) above stands becomes incapable through disorder or disability of mind of managing his property and affairs, repayment of the deposit or any part thereof shall be made in accordance with regulations made under section 28(2) of this Act determining the receipts which are to be a good discharge in the case of the payment of any sum belonging to a person who has become incapable as aforesaid.

(5) A person under the age of seven shall not be capable of giving a receipt under this section.

(6) A person under the age of fourteen shall not be capable of appointing an agent for the purpose of giving a receipt under this section, but the appointment of an agent for that purpose by a person who is not of full age but is aged fourteen or over shall be as effective as it would be if he were of full age.

(7) An abstract of the provisions of this section shall be included as one of the rules of every trustee savings bank.

Deposits by, and payments to, certain institutions, etc.

1965 c. 12.

31.—(1) Without prejudice to the provisions of section 31 of the Industrial and Provident Societies Act 1965 (Investment of funds of registered society), and subject to those provisions, the treasurer of any charitable or provident institution or society, or charitable donation or bequest for the maintenance,

education or benefit of the poor, or of any penny savings bank, may invest the funds of the institution or society in the funds of a trustee savings bank.

(2) Where a payment is made by a trustee savings bank to a trustee, treasurer or other officer of a provident institution or society or of a charity, friendly society or penny savings bank, who is apparently authorised to require that payment, his receipt shall be a sufficient discharge, and neither the trustee savings bank nor any of its trustees, managers or officers shall be responsible for any misapplication or for any want of authority of the person requiring or receiving the payment.

Investment by trustee savings banks of ordinary deposit moneys

Investment of moneys forming part of assets in respect of ordinary deposits.

32.—(1) Subject to subsection (2) below and to any other provision of this Act, the sums of money which the trustees of a trustee savings bank are authorised to invest under this Act or under any rules of the bank and which form part of the assets of the bank in respect of ordinary deposits shall be invested under section 33 of this Act and shall not be invested in any other manner.

(2) Subsection (1) above shall not apply to such sums of money as are needed to answer the exigencies of the bank.

The Fund for the Banks for Savings

Investment in Fund for the Banks for Savings.

33.—(1) There shall continue to be an account raised in the name of the Commissioners in the books of the Banks of England and Ireland respectively, called the Fund for the Banks for Savings (hereafter in this Act referred to as " the Fund ").

(2) The sums of money which the trustees of a trustee savings bank are by section 32 of this Act to invest under this section shall be paid into the Fund.

(3) Sums of money representing current account deposits shall be paid into the Fund separately from any other sums so paid for the bank, and the Commissioners shall keep a separate account of those sums.

Issue of interest-bearing receipts.

34.—(1) The officer of the Commissioners shall have power to issue a receipt signed by a cashier of the Bank of England or Bank of Ireland, as the case may be, in respect of a payment under section 33 of this Act.

(2) Subject to subsections (3) and (5) below, the receipt shall carry interest at such rate not being less than £2 15s. 0d. per cent. per annum and not exceeding £3 13s. 0d. per cent. per annum as the Treasury may fix by order.

(3) The power to make an order under subsection (2) above shall include power to fix a rate for a receipt in respect of a payment of a sum of money representing current account deposits different from, but not greater than, that for the time being fixed by such an order for a receipt in respect of a payment of money representing savings account deposits.

(4) The power of making orders under subsection (2) above shall include power to vary or revoke an order and shall be exercisable by statutory instrument, subject to annulment in pursuance of a resolution of either House of Parliament.

(5) So long as there is in operation a scheme prepared by the Association and approved by the Commissioners for mutual assistance between trustee savings banks in the United Kingdom, the Isle of Man and the Channel Islands no rate fixed under subsection (2) above, or fixed under that subsection by virtue of subsection (3) above, shall apply to banks qualified to participate but not participating in that scheme, and in the case of any such bank—

(*a*) the rate of interest to be carried by a receipt in respect of a payment of money representing savings account deposits shall be such rate (not exceeding the rate fixed for such a receipt by an order under subsection (2) above) as the Treasury may from time to time direct, having regard in particular to the expenses of management of that bank; and

(*b*) the rate of interest to be carried by a receipt in respect of a payment of money representing current account deposits shall be such rate (not exceeding the rate having effect in relation to such a receipt by virtue of subsection (2) or (3) above) as the Treasury may from time to time direct, having regard in particular to the expenses of the provision by that bank of a current account service.

(6) The principal and interest of all sums mentioned in any receipt shall be charged on all money in the Fund and on any moneys produced by the sale of any securities standing to the credit of the Fund.

(7) The receipt shall be in such form as the Commissioners may direct.

Management of the Fund

Interest on sums in the Fund.

35.—(1) All sums credited to an account of a trustee savings bank in the books of the Commissioners shall carry interest (at the rate for the time being fixed for such of the sums credited to that account as represent payments under section 33 of this

Act) from the day at which they are credited to the account to the day preceding that at which they are debited to it; but no interest shall be allowed on any fraction of a pound of the balance for the time being standing to the credit of the account.

(2) The officer of the Commissioners shall, within six weeks from 20th November and 20th May in each year, calculate the interest due on the said sums for the six months ending with that day, and that interest shall be credited to the account as at the following day (any fraction of a penny being disregarded); and within sixty days from 20th November and 20th May in each year he shall issue, in a form approved by the Commissioners, a receipt signed by him for the amount of the interest so credited as if that amount had been a payment made by the trustees of the bank under section 33 of this Act on the 21st day of that month.

Investment of money in the Fund.

36.—(1) The Commissioners, subject to reserving such sums as they think fit, shall invest money paid into the Fund—

(*a*) in Parliamentary securities created or issued under the authority of an Act of Parliament where those securities are securities for the interest on which provision is made by Parliament or are securities directly chargeable on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom, or

(*b*) in stock or debentures or other securities expressly guaranteed by authority of Parliament or the due payment of the interest on which is expressly guaranteed by authority of Parliament, or

(*c*) in securities which are issued in respect of a loan raised by the Government of Northern Ireland or securities the interest on which is for the time being guaranteed by the Parliament of Northern Ireland.

(2) The interest on such investments shall also be invested under this section.

Power to hold cash balance in Bank of Ireland.

37. Notwithstanding the provisions of section 36 of this Act, the Commissioners may, in accordance with arrangements made by them with the Bank of Ireland, pay any sums of money into the Bank of England to be placed to the credit of the Fund in the Bank of Ireland, and those sums shall be applied as if they had originally been paid into the Fund in the Bank of Ireland under section 33 of this Act.

Withdrawal of sums from the Fund.

38. The Commissioners with the concurrence of the Treasury may by statutory instrument make regulations as to the manner in which sums standing to the credit of a trustee savings bank in

the books of the Commissioners may be withdrawn, the manner in which payments may be made on any such withdrawal and the manner in which a valid discharge is to be given to the Commissioners for any such payment.

Annual account as between Commissioners and trustee savings banks.

39.—(1) The Commissioners shall annually make out an account in such form as the Treasury may direct with respect to the year ending on 20th November—

(*a*) showing on the one side the interest accrued from the securities standing to the credit of the Fund, and

(*b*) showing on the other side the interest paid and credited to trustee savings banks.

(2) The account shall, not later than 31st May in each year, be transmitted to the Comptroller and Auditor General.

Certain expenses to be defrayed out of surplus income of the Fund.

40.—(1) The Commissioners shall in every year, out of the amount by which the gross amount of the interest accrued during the preceding year on the securities standing to the credit of the Fund appears by the account under section 39 of this Act to have exceeded the gross amount of interest paid and credited in that year to trustee savings banks, apply, in accordance with the directions of the Treasury, such sum as the Treasury may from time to time authorise towards defraying—

(*a*) in the first place, the expenses incurred by the Inspection Committee in the exercise of any powers conferred by this Act,

(*b*) in the second place, the expenses incurred by the Commissioners in the execution of this Act.

(2) For the purposes of this section the expenses incurred by the Commissioners in the execution of this Act shall be deemed to include—

(*a*) such sum as, in the opinion of the Treasury, approximately represents the amount in each year of the accruing liability in respect of the benefits for which any officers or persons employed by the Commissioners in the execution of this Act will on their retirement become eligible under the Superannuation Act 1965; 1965 c. 74.

(*b*) such proportion of the salary, or of the said accruing liability in respect of superannuation benefits, of any officer or person who is so employed in part only in the execution of this Act as, in the opinion of the Treasury, is attributable to the execution of this Act;

(*c*) any capital expenditure incurred in providing premises wholly used by the Commissioners for the purposes of this Act and such part of any such expenditure incurred in providing premises partly used as aforesaid

as was, in the opinion of the Treasury, incurred for those purposes;

(*d*) in the case of any premises occupied by the Commissioners wholly or partly for the purposes of this Act and in respect of which no rent is payable, such an amount as is estimated by the Treasury to represent the rental value of the premises or of that part of the premises used for the said purposes, after allowing for any capital expenditure incurred as aforesaid which has been charged to the Fund.

(3) If, in any case where any capital expenditure incurred as aforesaid has been charged to the Fund, the premises in respect of which the expenditure was incurred are sold or cease to be used for the said purposes, there shall be deducted from the amount thereafter chargeable to the Fund such sum as may be determined by the Treasury to represent the then value of the premises or of that part of the premises which was used for the said purposes.

Adjustment of balances.

41.—(1) Where the annual account mentioned in section 39 of this Act shows that in the year for which the account is made up the gross amount of interest accrued from the securities standing to the credit of the Fund exceeded—

(*a*) the gross amount of interest paid and credited during the year to trustee savings banks in pursuance of this Act, together with

(*b*) a sum, to be determined by the Treasury, to provide against the depreciation in the value of the securities, and

(*c*) any amount applied under section 40(1) of this Act,

the Commissioners shall cause the amount of the surplus to be paid out of the Fund into the Consolidated Fund of the United Kingdom in such manner as may from time to time be agreed on between the Treasury and the Commissioners.

(2) Where the said account shows that, with respect to the year for which the account is made up, the gross amount of interest accrued from the securities standing to the credit of the Fund was less than—

(*a*) the gross amount of interest paid or credited to trustee savings banks in pursuance of this Act, together with

(*b*) a sum, to be determined by the Treasury, to provide against the depreciation in the value of the securities, and

(*c*) such of the expenses (including the remuneration of members and officers) incidental to the exercise by the Inspection Committee of the powers conferred on them

by this Act as may be sanctioned by the Treasury on the recommendation of the Commissioners, and

(*d*) the expenses incurred by the Commissioners in the execution of this Act,

an amount equal to the deficiency shall, at such times as the Treasury may direct, be paid out of the Consolidated Fund of the United Kingdom and shall be applied in defraying the said expenses of the Inspection Committee and the Commissioners and, so far as not so applied, shall be paid into the said Fund.

The reference in this subsection to the Commissioners' expenses shall be construed in accordance with section 40(2) and (3) of this Act.

(3) If the Fund is insufficient to meet its liabilities the Treasury may, on being informed thereof by the Commissioners, issue the amount of the deficiency out of the Consolidated Fund of the United Kingdom and the Treasury shall certify the deficiency to Parliament.

Annual statement of liabilities of Government to banks.

42.—(1) The Commissioners shall at the close of each year ending on 20th November prepare a statement in such form as the Treasury may direct showing the aggregate of the liabilities of the Government to trustee savings banks and the nature and amount of the securities held by the Commissioners to meet those liabilities.

(2) The statement shall, not later than 31st May in each year, be transmitted to the Comptroller and Auditor General.

Special investments

Conditions subject to which a bank may make special investments.

43.—(1) A trustee savings bank may not exercise the power to make special investments unless—

(*a*) it exercised that power before 1st June 1891, or

(*b*) the Commissioners on the recommendation of the Inspection Committee authorise the bank to do so.

(2) Before the Commissioners give their authority under subsection (1) above, they must be satisfied—

(*a*) that the bank is open daily; and

(*b*) that it has an aggregate cash liability to its depositors, irrespective of the amount of any special investments, of not less than £200,000.

The Commissioners may withdraw their authority if at any time in their opinion either of these conditions is not for the time being complied with.

(3) Paragraph (*b*) of subsection (2) above shall not apply if—

(*a*) the Association concur in the recommendation of the Inspection Committee required under subsection (1) above; and

(*b*) the Commissioners, having regard to the financial position of the bank and to the size and importance of the area served by it, think it expedient in the interests of the depositors of the bank that their authority should be given under that subsection.

(4) The accounts of a trustee savings bank making special investments shall be kept so as to distinguish between the receipts and expenditure on account of special investments and the receipts and expenditure on account of the general business of the bank.

(5) The rules of a trustee savings bank making special investments shall provide to the satisfaction of the Inspection Committee for the audit, examination and publication of the accounts relating to special investments and for the safe custody of the securities held by the bank on account of special investments.

(6) Assets of a trustee savings bank in respect of ordinary deposits shall not be chargeable with any part of the expenditure on account of special investments and, subject to the following provisions of this Act, shall not be liable for any loss or deficiency in respect of special investments.

Commissioners' power of control.

44.—(1) Every trustee savings bank which carries on the business of making special investments shall so far as respects that business be subject to the control of the Commissioners and shall comply with any directions which may from time to time be given by the Commissioners with respect to that business, including directions as to the manner in which the total expenses of management are to be apportioned in the bank's accounts as between the business of making special investments and the handling of ordinary deposits.

If a bank to which any such directions are given neglects or refuses to comply therewith the Commissioners may themselves take the necessary steps for giving effect thereto, and for that purpose may do all such things and exercise all such powers as may be done and exercised by the trustees, managers and other officers of the bank.

(2) Without prejudice to the general power of control given to the Commissioners by subsection (1) above, the following provisions shall have effect with respect to the special investment business of a trustee savings bank—

(*a*) no money received for investment or forming part of the assets held by a bank on account of special investments shall be invested, and no securities held on account of special investments shall be sold, except with the approval of the Commissioners;

(*b*) no change shall be made in the rate of interest allowed to depositors in respect of special investments except with the approval of the Commissioners;

(*c*) the amount to be expended by the bank for expenses of management on account of the special investment business shall not exceed such an amount as may be allowed by the Commissioners;

(*d*) there shall be transmitted to the Commissioners, together with the statement required to be transmitted to them under section 56 of this Act, a valuation of the securities held by the bank on account of special investments, and for the purpose of the valuation the value of those securities shall be calculated according to the current market price at the date of the valuation, or, in the case of securities for which there is at that date no current market price, shall be taken to be such an amount as the Commissioners fix, having regard to the date of repayment of, and to the rate of interest payable in respect of, the securities.

Investment of moneys received for special investment and certain other moneys.

45.—(1) Moneys received for special investment shall not be invested except in accordance with sections 46 and 47 of this Act.

(2) The provisions of subsection (1) above and of the said sections 46 and 47 shall be taken to apply to the investment of any moneys forming part of the assets held by a bank on account of special investments.

Securities in which moneys received for special investment may be invested. 1961 c. 62.

46.—(1) The trustees of a trustee savings bank may, subject to regulations made by the Treasury and to the powers of control conferred on the Commissioners by section 44 of this Act, invest moneys received for special investment in any such manner for the time being specified in Part II of Schedule 1 to the Trustee Investments Act 1961 as may be specified in the regulations.

(2) Without prejudice to subsection (1) above—

(*a*) the trustees of a trustee savings bank may, subject to regulations so made and to the Commissioners' said powers of control, invest moneys so received in any securities of which principal and interest are charged on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom, or on the Consolidated Fund of Northern Ireland, whether directly or by virtue of any guarantee, notwithstanding that the securities are excluded from Part II of Schedule 1 to the Trustee Investments Act 1961 by the operation of paragraph 2 of Part IV of that Schedule; and

(*b*) the trustees of a trustee savings bank in the island of Jersey or Guernsey may, subject as aforesaid, invest moneys so received in any security issued by the States of that island of which principal and interest are charged on the general revenues of the States.

(3) The power of the Treasury to make regulations for the purposes of this section shall be exercisable by statutory instrument and a draft of any statutory instrument made in the exercise of the power shall be laid before Parliament.

Powers to transfer moneys received for special investment to another trustee savings bank for investment and to deposit such moneys with a bank other than a trustee savings bank.

47.—(1) Notwithstanding anything in section 12(2) of this Act, the Commissioners may, on the application of the trustees of a trustee savings bank, authorise all or any of the moneys received by the trustees for special investment to be paid to and received by the trustees of another trustee savings bank for special investment, but subject to the following conditions:—

(*a*) a bank shall not be permitted to make a payment under this subsection if its total liabilities to depositors in respect of special investments apart from this subsection are more than £1 million or if the amounts standing to its credit with other banks under this subsection would with that payment be more than £200,000;

(*b*) a bank shall not be permitted to receive a payment under this subsection if its total liabilities to depositors in respect of special investments apart from this subsection are less than £4 million or less than ten times the amount which its total liabilities to other banks in respect of special investments under this subsection would attain with that payment;

(*c*) the terms of any investment by one bank with another under this subsection shall be stated in the application to the Commissioners and shall be such as may be agreed between the banks concerned, except that—

(i) the money shall be repayable by the bank receiving it on six months or some shorter notice, and on one month or some shorter notice if the trustees of the other bank certify that it is necessary for them to call in investments in order to meet an unusual demand on the bank; and

(ii) the rate of interest shall be not less than that from time to time allowed by the bank receiving the money on moneys which are received on the same date for special investment apart from this subsection and are repayable on one month's notice;

(*d*) a bank shall at any time withdraw any money invested by it or repay any money invested with it under this subsection if so directed by the Commissioners.

For the purpose of paragraphs (*a*) and (*b*) above, the amount of a bank's liability to any person in respect of special investments shall be taken to be the amount for the time being standing to his credit in respect thereof in the books of the bank.

(2) The trustees of a trustee savings bank shall have power to deposit moneys received by them for special investment in a bank other than a savings bank, either on deposit account or on current account.

Guarantee fund to meet deficiencies on special investment accounts.

48.—(1) For the purpose of providing for any deficiency which may arise in respect of special investments made by trustee savings banks, there shall continue to be a guarantee fund under the control of the Commissioners.

(2) The guarantee fund shall consist of—

(*a*) the reserves both in respect of general business and of special investments of all trustee savings banks which make special investments, and

(*b*) the closed banks fund,

and for the purpose aforesaid the reserves of every such trustee savings bank shall be at the disposal of the Commissioners, and the bank shall comply with any directions given by the Commissioners with respect to those reserves for the purpose of giving effect to the provisions of this section.

(3) If, on any valuation of the assets belonging to any bank on account of special investments, it appears that there is a deficiency, that deficiency shall, in the event of the bank being closed or wound up, or discontinuing, with the consent of the Commissioners, the business of making special investments, be a charge on and be made good out of the guarantee fund, as follows—

(*a*) recourse shall be had in the first instance to the amount standing to the credit of the guarantee fund in respect of the reserves of the bank in question and, so far as that amount is insufficient for the purpose, to the amount standing to the credit of the guarantee fund in respect of the reserves of other banks and to the closed banks fund pari passu, and

(*b*) as between the reserves of a bank in connection with special investments and the reserves of a bank in connection with its general business, recourse shall be had in the first instance to the reserves in connection with special investments, and as between the banks other than the bank in connection with whose account the deficiency has arisen the amount falling to be

charged on the reserves of those banks shall be allocated pro rata to those reserves according to their several amounts.

Discontinuance of special investment business.

49.—(1) Where a trustee savings bank discontinues the business of making special investments—

(*a*) the like results shall follow as would have followed if, immediately before the discontinuance, every depositor had, in pursuance of a previous notice duly given in that behalf, withdrawn the whole amount which he is entitled to withdraw in respect of special investments and had immediately redeposited the amount withdrawn as a savings account deposit with the bank, and

(*b*) all assets and liabilities of the bank in respect of the business of making special investments, other than its liabilities to depositors, shall be deemed to be assets and liabilities in respect of savings account deposits, notwithstanding anything in this Act restricting the investment of the funds of any such bank, and

(*c*) the bank shall comply with any directions of the Commissioners as to any of the assets referred to in paragraph (*b*) above;

and, save so far as the contrary is expressly provided by an order under section 14 of this Act, the amounts deemed to be deposited under paragraph (*a*) above shall be left out of account for the purposes of every order made under that section.

(2) Where a trustee savings bank discontinues the business of making special investments, the assets and liabilities thereof shall be valued as at the date of the discontinuance but without regard to the operation of subsection (1) above.

For the purpose of the valuation, the value of any securities shall be calculated according to the current market price at the date of the discontinuance or, in the case of securities for which there is at that date no current market price, shall be taken to be such amount as the Commissioners shall fix, having regard to the date of repayment of, and to the rate of interest payable in respect of, the securities, and the value of any land or buildings shall be taken at such amount as the Commissioners shall fix.

(3) If, on any such valuation, it appears that there is a deficiency, the deficiency shall be made good out of the guarantee fund under section 48(3) of this Act and, without prejudice to the generality of the provisions of that subsection, the deficiency, if and so far as it exceeds the reserve of the bank in respect of ordinary deposits, shall be made good to the bank out of that fund.

(4) If, on any such valuation as aforesaid, it appears that there is a surplus, an amount equal to the surplus shall be carried to the closed banks fund and the bank shall have no claim to the principal thereof or any interest thereon.

(5) Where a trustee savings bank carrying on the business of making special investments is wholly closed or is ordered to be wound up, the bank shall for the purpose of this section be deemed to have discontinued the business of making special investments immediately before the closing or the commencement of the winding up, as the case may be.

Power to borrow on security of special investment funds.

50. The trustees of a trustee savings bank may, with the approval of the Commissioners, borrow, whether by way of temporary loan or of overdraft from bankers or otherwise, on the security of the funds, or any part of the funds, held on account of special investments.

Financing of capital expenditure for bank purposes

Ways of defraying cost of purchasing land, etc.

51.—(1) Without prejudice to sections 53 and 54 of this Act, the cost to a trustee savings bank of purchasing any land or erecting any building for the purposes of the bank under section 11 of this Act may be defrayed out of—

(*a*) surplus moneys forming part of the assets of the bank in respect of ordinary deposits, including moneys received by way of advance or grant from another trustee savings bank, from the mutual assistance account or from the closed banks fund, or

(*b*) moneys applied for those purposes under section 52 of this Act,

or partly in one way and partly in the other.

(2) Any expenditure incurred by a trustee savings bank in the doing of work to land or buildings provided for the purposes of the bank or in the acquisition of equipment or machinery required for the conduct of the business of the bank, being expenditure of a capital nature, may be defrayed in the same manner as the cost of purchasing land may be defrayed under this section.

(3) Where the whole or part of the cost to a trustee savings bank of—

(*a*) purchasing any land or erecting any building, or

(*b*) doing any work to land or buildings provided for the purposes of the bank,

is defrayed out of an advance from another trustee savings bank, the repayment of the sum advanced and the payment of any sums payable under the terms of the advance by way of interest or otherwise to the bank making the advance may be secured by

mortgage of or charge on the land or building; and in relation to moneys which by virtue of any such mortgage or charge ought to be paid to the trustees of the bank making the advance the reference to the custodian trustees in section 11(3) of this Act shall be construed as referring to the custodian trustees of that bank.

Purchase of property out of special investment surplus.

52.—(1) The trustees of a trustee savings bank may, with the consent of the Commissioners, apply a part of the surplus capital held by the bank on account of special investments towards the purchase of land or the provision of buildings for the purposes of the bank under section 11 of this Act.

(2) The Commissioners shall not give their consent in any case if the amount proposed to be applied would, when added to any sums already applied under this section (excluding sums applied towards the purchase of any land or the provision of any buildings which have been sold) exceed twenty per cent. of the surplus capital as shown on the last annual valuation.

(3) All moneys accruing from or in connection with the sale, exchange or lease of any land purchased or buildings provided under this section, or of any part of such land or buildings, shall be invested by the trustees as if they were moneys received for special investment.

(4) The value of any land purchased or buildings provided under the provisions of this section shall be taken at such an amount as the Commissioners may from time to time fix and shall be included in the annual valuation.

(5) If the cost of purchasing any land or erecting any building is or has been defrayed partly but not wholly out of moneys applied under this section, subsection (3) above shall apply to such part of the moneys first referred to in that subsection as appears to the trustees, with the approval of the Commissioners, to be referable on a just apportionment to the sums applied under this section, and such part of the value of that land or building as appears to the trustees, with the said approval, to be so referable shall be included in the annual valuation.

(6) The whole or part of the cost of any land purchased or buildings erected for the purposes of a bank making special investments may, with the consent of the Commissioners, be transferred to or from moneys applied under this section by applying a sum representing the whole or a proportionate part of the value of the land or buildings out of moneys available for the purchase of land under this section or out of moneys otherwise available for the purchase of land, as the case may be; and in the case of a transfer from moneys applied under this section that sum shall be invested as if it were money received for special investment.

(7) Expenditure of a capital nature incurred by a trustee savings bank on the doing of work to land or buildings provided for the purposes of the bank shall be treated for the purposes of this section as incurred on the purchase of the land or erection of the building.

(8) In this section "annual valuation" means a valuation required to be made under section 44(2)(*d*) of this Act, and "surplus capital" means the amount by which the value of the assets held by a bank on account of special investments at the date of the annual valuation is found on that valuation to exceed the aggregate liability of the bank on account of or in connection with special investments.

Advances by Commissioners out of the Fund for the Banks for Savings.

53.—(1) The Commissioners may make to a trustee savings bank advances out of the Fund in order to meet expenditure incurred by the bank in purchasing land or erecting buildings for the purposes of the bank or any expenditure of a capital nature incurred by the bank—

(*a*) on the doing of work to land or buildings provided for the said purposes; or

(*b*) in the acquisition of equipment or machinery required for the conduct of the business of the bank.

(2) Advances made by virtue of this section shall be on such terms and for such period as the Commissioners may with the approval of the Treasury direct, but the total of the advances so made shall not exceed £10 million.

Advances by Commissioners out of closed banks fund.

54.—(1) Where the Commissioners, in pursuance of section 1 of this Act, approve the formation of a new trustee savings bank, they may, after consultation with the Association and the Inspection Committee, advance to the trustees of that bank out of the closed banks fund such sums as they think fit for the purpose of providing for expenses incurred in connection with the formation and initial working of the bank; and for the purposes of this subsection expenses incurred in the purchase of land or erection of buildings for the purposes of a new bank shall be deemed to be incurred in connection with the formation and initial working of the bank.

(2) The Commissioners may also, after consultation with the Association, advance to the trustees of a trustee savings bank out of the closed banks fund such sums as the Commissioners think fit for the purpose of enabling the operations of that bank to be extended.

(3) Any advance under this section may be made on such terms and conditions and for such period as the Commissioners with the consent of the Treasury may determine.

(4) The Commissioners may, with the consent of the Treasury, release the whole or any part of the principal of and interest on any advance made by the Commissioners under this section.

(5) The amount for the time being outstanding in respect of advances from the closed banks fund under this section shall not be treated as forming part of that fund for the purposes of section 48 of this Act.

Returns and accounts to be prepared by trustee savings banks

Weekly returns.

55. The trustees and managers of every trustee savings bank shall transmit weekly returns to the Commissioners, in such form and giving such particulars as the Commissioners may direct, showing the amounts of the week's transactions of the bank and the amount of the cash balances in the hands of the treasurer or any other person on account of the bank.

Annual statements.

56.—(1) The trustees and managers of every trustee savings bank shall annually prepare a general statement of the sums standing to the credit of the bank in the books of the Commissioners up to 20th November in each year, and of expenses incurred.

(2) The said annual statement shall show the balance or principal sum due to depositors in the bank collectively and identify the persons holding the said balance.

(3) The said annual statement shall contain, or be accompanied by, such particulars with respect to the special investments of the bank as the Commissioners direct.

(4) The said annual statement shall be signed by two managers or two trustees, or by one manager and one trustee, of the bank and shall be countersigned by the secretary or actuary of the bank.

(5) The said annual statement shall be in such form and contain, or be accompanied by, such particulars as the Commissioners direct and shall be transmitted to the office of the Commissioners within nine weeks after 20th November in each year.

(6) A similar statement shall be transmitted to the Inspection Committee within the said period of nine weeks.

(7) If the said annual statement is not prepared and transmitted to the Commissioners within the said period of nine weeks, the Commissioners, or the Comptroller General or Assistant Comptroller of the National Debt Office, shall for the information of the depositors forthwith publish, in the London

Gazette and in any newspapers published in the county in which the bank is established, the name of the bank in default, in such form and words, and under such conditions as the Commissioners or the said Comptroller General or Assistant Comptroller may think fit.

(8) If it appears in the said annual statement that any money belonging to a trustee savings bank is in the hands of a treasurer or other person, the statement shall be accompanied by a certificate, signed by the treasurer or other person, stating that the money therein mentioned is in his possession.

(9) The trustees and managers of every trustee savings bank shall cause a duplicate of any annual statement under this section, accompanied by a list of the trustees and managers of the bank, signed and countersigned in the same manner as the statement, to be publicly affixed and exhibited in some conspicuous part of the office or place where the deposits of the bank are usually received, for the information of all persons making deposits therein, and the duplicate shall remain so affixed and exhibited until the ensuing annual statement is in like manner affixed and exhibited under this subsection.

(10) Every depositor shall be entitled to receive from the bank a printed copy of the annual statement.

Statements of expenses.

57. The Commissioners or the Comptroller General or Assistant Comptroller of the National Debt Office may require from the trustees and managers of a trustee savings bank a detailed statement of all the expenses whatever incurred by the trustees and managers in the management of the bank or otherwise.

Supervision of trustee savings banks

Powers and duties of Inspection Committee.

58.—(1) The Inspection Committee may appoint persons to inspect the books and accounts of trustee savings banks, and to examine and ascertain and report to the Committee from time to time, with respect to each bank, whether the bank has complied with the requirements of this Act and of the rules of the bank as to the security to be taken from officers, the accounts of the bank and the conduct of its business, and whether any part of the expenditure is excessive or unnecessary; and every trustee savings bank shall give all due facilities for enabling any such inspection or examination to be made.

(2) If on the report of any such person it appears to the Committee that a trustee savings bank has made default in giving such facilities or complying with any of the requirements aforesaid, or that any part of the expenditure of the bank is excessive or unnecessary, the Committee shall call upon the

bank to remedy the default or, as the case may be, to reduce the expenditure within a specified time, and if the default is not remedied or the expenditure is not reduced within that time the Committee shall report the matter to the Commissioners.

(3) Thereupon the Commissioners may, subject to subsection (4) below, at their discretion—

(*a*) close the account of the bank and proceed under section 60 of this Act, or

(*b*) report the matter to the Treasury with a view to action being taken under section 59 of this Act,

or adopt both of these courses.

(4) The power conferred by subsection (3) above to close the account of a bank shall—

(*a*) in the case of default in complying with a current account service requirement, be limited to the closing of the separate account of the bank of moneys representing current account deposits mentioned in section 33(3) of this Act, and

(*b*) in the case of default in complying with any other requirement of this Act mentioned in subsection (1) above, be construed as extending to the closing of that separate account.

In this subsection "current account service requirement" means a requirement of any of the following sections of this Act, that is to say, sections 13, 19, 20, 21, 22 and 23.

(5) If, on any report of the Committee, any question arises as to what constitutes the necessary expenses of a trustee savings bank within the meaning of section 1 of this Act, the decision of the Commissioners on that question shall be conclusive.

(6) The Committee may, with the approval of the Commissioners, make rules for regulating the duties of persons appointed by the Committee under this section.

(7) The trustees of every trustee savings bank shall, at the request of the Committee, supply the Committee with a copy of the pass book in use by the bank for the purpose of savings account deposits or special investments, as the case may require, and of the rules of the bank and of any alterations thereof.

(8) If, in the opinion of the Committee, the rules of a trustee savings bank are insufficient for the purpose of maintaining an efficient audit, the bank shall, with all convenient speed, make such additional rules as may, in the opinion of the Committee, be required for the purpose.

(9) If the bank do not, within a time specified by the Committeee, from the date of being required to make any such rules, comply with the requirement, the Committee may make the rules, and shall submit the rules so made to the Registrar, to be certified by him; and, when so certified, they shall be binding on the trustees.

(10) The Committee shall, not later than 31st May in each year, send to the Commissioners a report of the proceedings of the Committee under this Act during the year ending on the previous 20th November, and the report shall be laid before Parliament.

Appointment of commissioner to examine affairs of trustee savings bank.

59.—(1) The Treasury may, if satisfied on the representation either of such number of the depositors in any trustee savings bank as appears to them sufficient, or of the Commissioners, that there is good reason for causing an examination to be made into the affairs of any trustee savings bank, apply ex parte to any judge of the High Court, or to any judge of the Court of Session in Scotland, who, if satisfied that such examination is desirable, may thereupon appoint a master of the Supreme Court or a barrister of not less than seven years standing in England or Northern Ireland, or an advocate of not less than five years standing or writer to the signet of not less than five years standing in Scotland, as a commissioner to hold a local inquiry into the affairs of that bank, and to report thereon; but such notice of any representation by depositors under this section shall be given to the trustees of the bank as the Treasury may direct.

(2) Every such commissioner shall, for the purposes of the examination which he is authorised to conduct, have power—

(*a*) to require by summons under his hand a person to send a written return to any inquiry, or to attend as a witness before him, and to examine any witness on oath, and to require any witness to take an oath and to answer any question; and

(*b*) to require production of all books, papers and documents which appear to him to relate to the affairs of the bank, and the production of which appears to him necessary.

(3) If any person, after having had a tender made to him of the expenses (if any) to which he is entitled, fails, without lawful excuse, to comply with any requirement of the commissioner under this section, he shall, on summary conviction, for each offence be liable to a fine not exceeding £10.

(4) Every witness shall be allowed such expenses as would be allowed to him when attending to give evidence before any superior court, and in case of dispute the amount shall be

referred by the commissioner to a master or taxing officer of the Supreme Court, or to the Queen's and Lord Treasurer's Remembrancer in Scotland, who, on request under the hand of the commissioner, shall ascertain and certify the proper amount of the expenses.

(5) The Treasury may, if they think fit, where a representation is made by depositors, require such security for costs to be given as they think proper, but except so far as costs may be recovered under any such security, all costs incurred in or incidental to any proceedings under this section shall be paid out of moneys provided by Parliament.

Default powers of Commissioners.

60.—(1) Subject to subsection (2) below, if—

(*a*) the trustees of a trustee savings bank neglect or refuse to obey any orders or directions given by the Commissioners, whether or not through their officers, in pursuance of this Act, or

(*b*) default is made in complying with the requirements of section 5 of this Act as respects any trustee savings bank, or

(*c*) the trustees of a trustee savings bank neglect or refuse to make out and transmit to the Commissioners the annual statement mentioned in section 56 of this Act within the period of nine weeks mentioned in that section, or

(*d*) the Inspection Committee have under section 58(2) of this Act reported to the Commissioners that a trustee savings bank has failed to remedy such a default, or reduce such expenditure, as is mentioned in that section,

the Commissioners may close the account of the trustee savings bank and may direct that no further sum shall be accepted at the Bank of England or at the Bank of Ireland from the trustees of that trustee savings bank to the Commissioners' account until such time as the Commissioners think fit.

(2) If—

(*a*) a trustee savings bank fails to comply with a direction given under section 22 of this Act, or

(*b*) the Inspection Committee report to the Commissioners under section 58(2) of this Act that a trustee savings bank has failed to remedy a default in complying with a current account service requirement,

subsection (1) above shall not apply, but the Commissioners may close the separate account of the bank of moneys representing current account deposits mentioned in section 33(3) of this Act and may direct that no further sums of money representing

current account deposits shall be accepted at the Bank of England or at the Bank of Ireland from the trustees of that bank to the Commissioners' account until such time as the Commissioners think fit.

In this subsection "current account service requirement" has the same meaning as in section 58(4) of this Act.

(3) Without prejudice to subsection (2) above, the power of closing the account of a trustee savings bank conferred by subsection (1) above shall be construed as extending to the closing of the separate account of that bank referred to in subsection (2) above.

(4) After the Commissioners have closed an account under subsection (1) or (2) above they may, if the trustees of the trustee savings bank comply with the directions of the Commissioners or their officers, re-open the said account and again authorise the acceptance of money at the Bank of England or at the Bank of Ireland; and they may allow the payment of compound interest on the account during the period when it was closed.

Amalgamation and mutual assistance

Power to amalgamate.

61.—(1) Any two or more trustee savings banks may, with the assent of the Commissioners, on the recommendation of the Inspection Committee, by special resolution of both or all such banks, become amalgamated together as one bank with or without dissolution or division of the funds and property of the banks, or either or any of them, and all the funds and property of the banks, so far as not already vested in the custodian trustees of the amalgamated bank, shall become vested in them without the necessity of any form of conveyance or assignment other than the special resolution for amalgamation.

(2) For the purposes of the amalgamation a special resolution shall mean a resolution passed by not less than three-fourths of the trustees of the bank present at a general meeting of which notice specifying the intention to propose the resolution has been duly given according to the rules, and confirmed by a majority of the trustees present at a subsequent meeting, of which notice has been duly given, held not less than fourteen days nor more than a month from the date of the first-mentioned meeting.

(3) Notwithstanding anything in section 9 of this Act, on any amalgamation of two or more trustee savings banks which is to be effected not by merging with one of the existing banks the other or others of them, but by establishing a new bank, the special resolutions for the amalgamation shall appoint four of the trustees of the amalgamated bank to be the custodian trustees of that bank.

Advances by trustee savings banks for development.

62.—(1) The trustees of a trustee savings bank may, with the approval of the Commissioners, make advances of such amounts, on such terms and conditions and for such period as may be approved by the Commissioners,—

(*a*) to the trustees of another trustee savings bank for the purpose of enabling the operations of that other bank to be extended;

(*b*) to any persons proposing to form a new trustee savings bank for the purpose of providing for expenses incurred or to be incurred in connection with the formation and initial working of the new bank.

(2) For the purposes of this section expenses incurred in the purchase of land or erection of buildings for the purpose of a new bank shall be deemed to be incurred in connection with the formation and initial working of the bank.

(3) The trustees of a trustee savings bank who have made an advance under this section may release the whole or any part of the principal of and interest on that advance.

Grants by trustee savings banks for benefit of other trustee savings banks.

63.—(1) A trustee savings bank may, with the approval of the Commissioners, make a grant to the Commissioners of such amount as may be approved by the Commissioners, to be applied for the benefit of other trustee savings banks.

(2) The Commissioners shall, as part of the Fund, maintain a separate account known as the mutual assistance account, and shall credit to that account any sums granted to the Commissioners under subsection (1) above.

(3) Notwithstanding anything in section 34(3) or (5) of this Act, the mutual assistance account shall carry interest at the rate fixed by order of the Treasury under subsection (2) of the said section 34 for a receipt in respect of a payment of money representing savings account deposits; and in addition to that interest there shall be credited to that account on 21st November and 21st May in each year a sum equal to that by which the interest credited to trustee savings banks for the preceding six months is reduced in consequence of the said section 34(5), and the sum so credited shall be treated as if it were interest credited to the mutual assistance account.

(4) Any interest credited to the mutual assistance account shall, for the purposes of the annual account to be prepared by the Commissioners under section 39 of this Act, be treated as interest credited to trustee savings banks.

(5) The Commissioners, upon the application of the Association, may if they think fit, debit the mutual assistance account with any amount not exceeding that specified in the application,

and credit that amount to the account in the books of the Commissioners of any trustee savings banks so specified.

(6) In addition to the power conferred by subsection (1) above, a trustee savings bank shall have power, with the approval of the Commissioners, to make direct to another trustee savings bank a grant of such amount and on such conditions as may be approved by the Commissioners.

(7) The Commissioners may, at the request of a bank which makes a grant under this section, debit that bank's account in the books of the Commissioners with the amount of the grant and credit that amount in those books to the account of the bank to which the grant is to be made, or to the mutual assistance account, as the case may be.

Closing of trustee savings banks

Consent of Commissioners required for closing a bank.

64.—(1) It shall not be lawful for the trustees of a trustee savings bank to close or dissolve the bank or cease to carry on the business of the bank or to carry on business only for the purpose of winding up its affairs unless—

(*a*) the Commissioners consent, or

(*b*) the bank is ordered to be wound up in pursuance of section 399 of the Companies Act 1948 (winding up of unregistered companies) or a corresponding enactment forming part of the law of Northern Ireland. 1948 c. 38.

(2) The consent of the Commissioners under this section shall not be given unless and until they have satisfied themselves, after consultation with the Inspection Committee and the Association, that there are no proper persons able and willing to act as trustees and managers of the bank.

(3) Where the trustees of a trustee savings bank propose to close the bank, they shall give to depositors such notice as the Commissioners may require of the facilities afforded by law to depositors for transferring their deposits to the National Savings Bank.

Sale of property on closing a bank.

65.—(1) When a trustee savings bank is finally closed, the trustees, or any two or more of them, shall forthwith notify the Commissioners in writing, and shall, with the consent of the Commissioners, convert into money any property held by the said trustees or by any person as trustee for the bank.

(2) The trustees of the bank, after paying the expenses of the conversion and any claims thereon, shall account for and pay over the residue to the Commissioners.

(3) The Commissioners shall continue to keep a distinct account of money standing to the credit of closed banks (in this Act referred to as "the closed banks fund").

(4) The Commissioners shall carry the residue paid over to them under subsection (2) above to the closed banks fund.

(5) The moneys carried on account of each bank to the closed banks fund under this section shall be subject to any claim that may thereafter be substantiated on account of any depositor in the bank.

(6) The trustees of a bank desiring to close the bank may with the consent of the Commissioners compensate their officers out of money which would otherwise be carried to the closed banks fund under this section.

Procedure available on closing a bank.

66.—(1) If the trustees of a trustee savings bank—

(*a*) give public notice of their intention to close the bank by posting a letter to each depositor at his residence when known, and by advertisement in a newspaper circulating in the district where the bank is situated and by affixing notice of their intention to close the bank on the outer door of the building in which the business of the bank is carried on, and

(*b*) transmit to the Commissioners a certified list (signed by two trustees and three managers of the bank) of the depositors who have not applied to them to receive their deposits or for transfer certificates, and of the amount due to them respectively,

the Commissioners may accept from the said trustees all money remaining in the hands of the said trustees or their treasurer.

(2) If the said money with the money belonging to the bank in the hands of the Commissioners, together with the proceeds of sale of other property as referred to in section 65 of this Act, is sufficient to discharge the whole of the liabilities of the trustees to the depositors, as set out in the said list, the certificate of the Commissioners shall be a sufficient discharge to the trustees in respect of all money so paid over or in the hands of the Commissioners.

(3) All the said moneys shall be held by the Commissioners subject to the rights and claims of the depositors named in the list, and those depositors shall thereafter be considered to be depositors in the National Savings Bank.

(4) The said depositors, on presenting their deposit books at the National Savings Bank, shall be entitled to claim payment of the sums due to them respectively, with the interest due to

them thereon, and on establishing their claim shall be paid out of the moneys so paid over by the trustees under section 65 of this Act and this section and the moneys in the hands of the Commissioners as above referred to.

The reference in this subsection to deposit books shall be construed as a reference to deposit books in use by the bank for the purpose of savings account deposits or special investments, as the case may require.

(5) The surplus of the said moneys, if any, after providing for the sums due to the said depositors, shall be carried to the closed banks fund in the books of the Commissioners and shall be subject to any claim that may thereafter be substantiated on account of any depositor in the bank.

(6) The trustees shall not close the bank before the expiration of one month from the giving of the notice required by this section.

Officers, employees, etc., of trustee savings banks

Security to be given by officers and others.

67.—(1) Subject to subsection (2) below, the following persons, that is to say—

(*a*) every treasurer of a trustee savings bank, and

(*b*) every officer or other person receiving any salary or allowance for his services from the funds of a trustee savings bank,

shall give good and sufficient security to be approved of by not less than two trustees of the bank for the just and faithful execution of his office or trust.

(2) Subsection (1) above shall not apply to such persons or classes of persons as the Commissioners may direct, and paragraph (*b*) of that subsection shall not apply to supernumerary assistants employed at the periods of balancing the accounts.

(3) The security required by this section shall comprise security in respect of the amount received on account of special investments and the rules of the bank shall provide to the satisfaction of the Inspection Committee for the security in respect of that amount.

(4) The security to be given under this section by an officer or other person receiving any salary or allowance for his services shall be either—

(*a*) by bond, with one or more sureties, to the Comptroller General of the National Debt Office ; or

(*b*) with the permission of the Commissioners, by the deposit of money or of Government securities or by the bond of a guarantee society; or

(*c*) if the Commissioners and the Inspection Committee approve, by a single bond of a guarantee society guaranteeing all the persons employed by the bank or at any branch thereof who are required to give security;

and where security is given under paragraph (*c*) above, the annual premium on the bond shall be paid by the trustees of the bank, and the trustees of the bank shall be entitled to recover from each person covered by the bond such proportion of the premium as that person's annual salary bears to the total amount of the annual salaries of the persons covered by the bond.

(5) In case of forfeiture the trustees or managers of the trustee savings bank may sue on the bond in the name of the said Comptroller General, and carry on the proceedings at the costs and charges and on behalf of the bank, fully indemnifying the Comptroller General from all costs and charges in respect of the proceedings.

(6) A bond given under this section shall, when executed, be deposited with the Commissioners and the Commissioners may, on application signed by not less than two trustees in such form as the Commissioners shall direct, deliver up to the bank any such bond deposited with them for the purpose of being cancelled.

Persons failing to account for money received from depositors.

68.—(1) If an actuary, cashier, secretary, officer or other person holding a situation or appointment in a trustee savings bank receives any sum of money from or on account of a depositor, or person desirous of becoming a depositor, or on account of the bank, and does not forthwith, or, in the case of local receivers acting on behalf of a trustee savings bank, within the time specified in the rules of that bank, duly account for and pay over the money to the trustees and managers or to such person as may be directed by the rules of the bank, he shall be guilty of an offence.

(2) A person convicted on indictment of an offence under this section by a court in England, Wales or Northern Ireland shall be liable to a fine or to imprisonment for a term not exceeding two years or both.

Liability of trustees and managers.

69.—(1) No trustee or manager of a trustee savings bank shall be personally liable, except—

(*a*) for money actually received by him on account of or for the use of the bank which is not paid over and disposed of as directed by the rules of the bank, or

(*b*) for neglect or omission in complying with the rules required by Schedule 1 to this Act to be adopted in the maintenance of checks, the audit and examination of accounts, the holding of meetings and the keeping of the minutes of proceedings thereat, or

(*c*) for neglect or omission in taking security under section 67 of this Act from officers.

(2) The reference to any neglect or omission in paragraphs (*b*) and (*c*) of subsection (1) above shall not include a reference to any act or omission in pursuance of an authority or direction given by the Commissioners under section 26 or 67(2) of this Act.

Indemnity for trustees against claims in respect of certain acts.

70. Where any payment or act is, or has before the commencement of this Act been, made or done by the trustees of a trustee savings bank in accordance with the enactments and regulations relating to trustee savings banks for the time being in force, and in accordance with the rules of the bank, the trustees of the bank are hereby indemnified against all claims on the part of any person in respect of the payment or act, but any person may nevertheless recover any sum lawfully due to him from the person to whom the trustees of the bank have paid it.

Recovery of property of a bank from certain persons.

71. A person who—

(*a*) holds or receives any part of the money, effects or funds belonging to a trustee savings bank, or

(*b*) is in any manner entrusted with the disposition, management or custody of such money, effects or funds or of any securities, books or papers, or property relating thereto,

and his personal representative and assigns shall on demand made in pursuance of an order of not less than two trustees and three managers of the bank or at any general meeting of the trustees or managers thereof—

(i) give in his or their account to the said trustees or managers or general meeting, or to such other person as may be nominated to receive the account, to be examined and allowed or disallowed by the said trustees or managers, and

(ii) pay over all the money remaining in his or their hands and assign and transfer or deliver all securities and effects, books, papers and property in his or their hands or custody to such person as the said trustees or managers may appoint.

Priority of debts owed by bank officers to the bank.

72.—(1) If an officer of a trustee savings bank who is entrusted with the keeping of the accounts or who has in his hands or possession by virtue of his office or employment any money or effects belonging to the bank, or any deeds or securities relating thereto—

(*a*) dies, or

(*b*) becomes bankrupt, or makes any assignment of his property for the benefit of his creditors, or

(*c*) has any execution or attachment or other process issued against his property,

his personal representative or, as the case may be, his trustee in bankruptcy or assignee, or the sheriff or other officer executing such process as aforesaid shall, within forty days after demand made by two of the trustees of the bank,—

(i) deliver and pay over all moneys and other things belonging to the bank to such person as the said trustees appoint, and

(ii) pay out of the estate, assets or effects of the said person all sums of money remaining due which he received by virtue of his office or employment, before any other of his debts are paid or satisfied, or, as the case may be, before the money directed to be levied by the said process is paid over to the party issuing the process.

(2) Subsection (1) above, so far as it relates to bankruptcy or the administration of insolvent estates, shall not apply in Scotland.

Office of trustee to be vacated for non-attendance at meetings.

73.—(1) If a trustee of a trustee savings bank is absent from all the meetings of the trustees and of the committee of management (if any) held during any period of twelve months ending with 20th November, and has not during that period performed any of the duties imposed on trustees and managers by paragraph 2 of Schedule 1 to this Act, his office as trustee shall at the end of that period become vacant.

(2) The person whose office as trustee so becomes vacant shall not, unless he has before the end of the said period explained to the satisfaction of the Inspection Committee his absence or the non-performance of his duties, be eligible for re-appointment until the expiration of one year from the end of that period, and until he is re-appointed his name shall not be allowed to continue in the list of trustees, but the vacation of his office shall not affect any liability which he may have incurred as trustee before the date at which he vacates office.

(3) Where a vacancy occurs in pursuance of this section, the trustees of the bank shall forthwith send notice of the vacancy to the Commissioners and to the Inspection Committee.

Appointment of auditors.

74. An auditor of a trustee savings bank shall be appointed for a term not exceeding one year, but a retiring auditor shall be eligible for re-appointment.

Superannuation of officers and employees

Superannuation allowances to, and gratuities in case of death of, officers of trustee savings banks.

75.—(1) The trustees of a trustee savings bank may with the consent of the Inspection Committee—

(*a*) grant to an officer of the bank who has served for not less than ten years as an officer of trustee savings banks, and who retires from his office after attaining the age of sixty years or on becoming incapable of discharging the duties thereof by reason of permanent infirmity of mind or body:—

(i) an annual allowance not exceeding one-eightieth of the average annual amount of the salary and emoluments of his office during the last three years of his service for each year of service as such an officer, subject to a maximum of forty-eightieths thereof; and

(ii) an allowance by way of lump sum not exceeding three-eightieths of the average annual amount of the salary and emoluments of his office during the last three years of his service for each year of such service, subject to a maximum of one hundred and twenty eightieths thereof; and

(*b*) grant to the personal representative of any such officer who, after five years' service as such, dies while still employed in the service of the bank, a gratuity not exceeding whichever may be the greater of:—

(i) the average annual amount of the salary and emoluments of his office during the last three years of his service; or

(ii) the amount of the allowance by way of lump sum which might have been granted to him if he had retired from his office on the ground of ill health at the date of his death; and

(*c*) grant to the personal representative of any such officer who after becoming entitled to an annual allowance, dies after he has retired from the service, and in whose case the sums actually received by him at the

time of his death on account of the annual allowance together with the sum received by him by way of lump sum allowance are less than the average annual amount of the salary and emoluments of his office during the last three years of his service, a gratuity not exceeding the deficiency.

(2) An annual allowance under this section shall only be continued so long as, in the opinion of the Inspection Committee, the funds of the bank admit of its payment.

Allocation of part of superannuation benefits to dependants.

76.—(1) An officer of a trustee savings bank who retires from the service of the bank, otherwise than on the ground of ill health, at any time after the coming into operation for that bank of rules under this section shall be allowed to surrender, as from the date of his retirement, such part (not exceeding one-third) of any annual allowance which the trustees of the bank may grant to him under section 75 of this Act as may be provided by the rules in return for the trustees granting to the wife or husband, as the case may be, of the officer or to a dependant of the officer a pension, payable from the like source as the said allowance, of such value as according to tables for the time being in force for the purposes of section 43 of the Superannuation Act 1965 (which provides for the allocation of superannuation benefits) is actuarially equivalent, on the date of the officer's retirement, to the value of that part of the said annual allowance which is surrendered.

1965 c. 74.

(2) Rules under this section may with the approval of the Commissioners be made for any trustee savings bank by the trustees of the bank, and may provide—

(*a*) for the application thereof to officers of the bank generally or to any class of such officers;

(*b*) for the circumstances in which, and the conditions as to proof of good health and other matters subject to which, an officer to whom the rules apply may surrender an allowance in accordance with subsection (1) above;

(*c*) for the application, in relation to any pension granted in return for such a surrender, of the provisions of section 75(2) of this Act subject to such modifications as appear to the trustees requisite for excluding from the application of that subsection so much of the pension as represents deductions in respect thereof made from instalments of the annual allowance of the retiring officer already paid to him.

(3) Any such pension as aforesaid for the benefit of a dependant, not being the spouse of the retiring officer, shall be

payable in respect of the period, if any, for which the dependant survives the retiring officer, and any such pension as aforesaid for the benefit of the spouse of the retiring officer shall, according as the retiring officer may in conformity with the rules of the bank under this section elect, be payable either—

(*a*) in respect of the period, if any, for which the spouse survives the retiring officer, or

(*b*) in respect both of the period of their joint lives subsequent to the retirement and of the period, if any, for which the spouse survives the retiring officer,

and the rules may provide that a pension payable thereunder in respect of the periods mentioned in paragraph (*b*) above shall be paid at one rate in respect of the first of those periods and at a higher rate in respect of the second.

(4) If any person has, in accordance with rules under this section, surrendered part of an allowance, then for the purpose of calculating the amount of any gratuity which may be granted to his personal representative under paragraph (*c*) of section 75(1) of this Act the sums paid or payable to him at the time of his death on account of the said allowance shall be deemed to be the sums which would have been so paid or payable but for the surrender.

Officers of Inspection Committee.

77.—(1) Subject to the consent of the Minister for the Civil Service given on the recommendation of the Commissioners, the Inspection Committee shall have the same power of granting superannuation allowances and gratuities to officers of the Committee and to the personal representatives of such officers as is by section 75(1) of this Act conferred on the trustees of a trustee savings bank with respect to officers of the bank and their personal representatives.

(2) Section 76 of this Act shall apply to the Inspection Committee and officers thereof as it applies to a trustee savings bank and officers thereof, with the substitution for references to the trustees of a trustee savings bank or to such a bank of references to the Committee, and for references to the said section 75, and any provision thereof, of references to that section or provision as applied by subsection (1) above.

(3) The amounts payable under this section shall, for the purpose of section 40 of this Act, be deemed to be expenses incurred by the Committee in the exercise of their powers.

Superannuation payments for transferred officers.

78.—(1) Where an officer of the Inspection Committee, the Association or the Savings Banks Institute (hereafter in this section referred to as " the Institute ") has been transferred to service with a trustee savings bank, or an officer of a trustee

savings bank, the Association or the Institute has been transferred to service with the Inspection Committee, then, for the purposes of sections 75, 76 and 77 of this Act the period of continuous trustee savings bank service of the officer ending with the transfer shall, subject to the provisions of this section, be reckoned as if it were a period of service with the bank or Committee to service with which the officer is transferred.

(2) In this section "trustee savings bank service" means service with any trustee savings bank institution, that is to say, any trustee savings bank, the Inspection Committee, the Association or the Institute, and trustee savings bank service shall be treated as continuous if interrupted only on transfer from one trustee savings bank institution to another.

(3) In respect of the transfer of an officer of a trustee savings bank to service with another such bank or the Inspection Committee, the Association or the Institute, or of an officer of the Committee to service with a trustee savings bank, the Association or the Institute, the trustees of the bank from service with which he is transferred or the Committee, as the case may be, may, with the approval of the Commissioners, pay to the bank, Committee, Association or Institute to service with which the officer is transferred such amount as may with the like approval be determined by the trustees or Committee making the payment to represent the superannuation value, at the date of the transfer, of the continuous trustee savings bank service of the officer ending with that date.

Any payment under this subsection by trustees or the Inspection Committee may be defrayed in the like manner as sums payable by the trustees or Committee under sections 75, 76 and 77 of this Act.

(4) No payment shall be made—

(*a*) by the trustees of a trustee savings bank under the said sections by reference to previous service of an officer of the bank with the Inspection Committee, the Association or the Institute, or

(*b*) by the Inspection Committee under the said sections by reference to previous service of an officer of the Committee with a trustee savings bank, the Association or the Institute,

unless on the transfer of the officer in question to service with the bank or the Committee, as the case may be, payment was made to them in respect of the officer by the bank, Committee, Association or Institute from service with which the officer was transferred of an amount equal to the superannuation value, at the date of the transfer, of the said previous service.

(5) For the purposes of this section, the superannuation value, at the date of any transfer, of any service of a transferred officer

shall be an amount, calculated in accordance with rules for the purposes of this section made by the Commissioners by statutory instrument, equivalent to the actuarial value at that date of the superannuation benefits, so far as attributable to the service in question, which would be payable in respect of him if he continued to serve with the bank, Committee, Association or Institute from service with which he is transferred at the remuneration payable to him immediately before the transfer until his trustee savings bank service was terminated by death or retirement.

(6) In this section " the Savings Banks Institute " means the body constituted by that name in January 1948.

Reckoning for superannuation of certain service with savings bank not certified as trustee savings bank. 1954 c. 63.

79.—(1) Where an institution established as a savings bank (as defined in section 1(3) of this Act) is certified under this Act, or was certified under the Trustee Savings Banks Act 1954, as a trustee savings bank, and a person is or was serving as an officer of the bank both immediately before and immediately after the time when it is or was certified, his service as an officer of the bank before that time may, to such extent as the Commissioners with the approval of the Minister for the Civil Service may determine, be reckoned for the purpose of sections 75, 76, 77 and 78 of this Act as if it were a period of service as an officer of the trustee savings bank.

(2) In subsection (1) above the reference to sections 75, 76, 77 and 78 of this Act shall include any order modifying those sections under section 82 of this Act, except in so far as the contrary is provided by any order made under that section.

Establishment of superannuation reserves.

80.—(1) The trustees of a trustee savings bank, or of two or more such banks acting jointly, may, with the approval of the Inspection Committee and in accordance with rules made by the trustees with the consent of the Commissioners, establish a reserve fund to be known as the superannuation reserve.

(2) Where such a reserve has been established any superannuation payment falling to be made by the trustees of the bank, or of any of the banks, for which the reserve was established shall, in such cases and to such extent as may be provided by rules under this subsection, be defrayed out of the superannuation reserve.

(3) Rules made as aforesaid shall provide for the source from which and the manner in which the trustees shall make payments to the superannuation reserve and for the application of the assets thereof otherwise than in defraying superannuation payments either where it is determined in accordance with the rules that the assets of the superannuation reserve exceed the

amount likely to be required for defraying such payments or in the event of the winding up of the bank, or of any of the banks, for which the reserve was established, or in such other circumstances as may be provided by the rules.

(4) Save as may be provided by rules made as aforesaid the assets of the superannuation reserve shall not be applicable except for the purpose of defraying superannuation payments and any expenses of managing the reserve.

(5) Section 75(2) of this Act shall, notwithstanding anything in that subsection or in rules made under section 76 of this Act, not apply to so much of any superannuation payment as is payable out of the superannuation reserve.

(6) The assets of any superannuation reserve established under this section shall be invested with the Commissioners on the same terms and in the like manner as assets of the bank in question which are invested with the Commissioners in pursuance of section 33 of this Act, and the fixing of a rate of interest by virtue of section 34(3) or (5) of this Act shall not be taken to affect those terms.

(7) The Commissioners, after consultation with the Inspection Committee, may require any trustees to amend rules made by them for the purposes of this section in such manner as the Commissioners may specify, and if it appears to the Commissioners that the trustees have failed within a reasonable time to comply with any such requirement the Commissioners may direct that the rules shall have effect as if amended in accordance with the requirement.

(8) Rules under this section may contain such incidental and supplementary provisions as appear requisite for the purposes of this section.

(9) Where superannuation reserves have been established, whether jointly or separately, for two or more trustee savings banks, the reserves may, with the approval of the Commissioners, be amalgamated on such terms as to the making of payments out of the amalgamated reserves as may be agreed between the trustees of the banks in question, and where superannuation reserves have been amalgamated in pursuance of this subsection, they shall be treated as if they were a single superannuation reserve established by the said banks acting jointly, and the foregoing provisions of this section shall apply accordingly.

(10) In this section " superannuation payment " means a payment under sections 75, 76, 77 and 78 of this Act.

Establishment of contributory superannuation funds.

81.—(1) The trustees of a trustee savings bank, or of two or more such banks acting jointly, may in accordance with rules made by them with the consent of the Commissioners establish a contributory superannuation fund, to be vested in trustees appointed in accordance with the rules, to which contributions shall be made, of such amounts and payable at such times and in such manner as may be provided by the rules,—

(*a*) by the persons for whom provision can be made out of the fund and who are employed in the service of the bank or banks by whom the fund is established;

(*b*) by the trustees of the said bank or banks, from such source as may be provided by the rules.

(2) The assets of any fund established under this section shall be applied—

(*a*) in providing, in respect of persons employed in the service of the bank or banks in question or any class of such persons, as may be provided by the rules, benefits of all or any of the descriptions provided for by section 75 of this Act of amounts not exceeding those which could be paid under that section or under that section as extended by section 79 of this Act;

(*b*) in repaying, in such cases and to such extent as may be provided by the rules, the amount of contributions made to the fund by persons in the service of the bank, or any of the banks, in question, together with compound interest thereon calculated at such rate and in such manner as may be provided by the rules but subject to the deduction (in so far as the rules so provide) of sums due from such persons to the bank by whom they have been employed;

(*c*) in defraying, in so far as the rules so provide, the cost of payments under section 78(3) of this Act;

(*d*) in defraying the expenses of management of the fund:

Provided that where it is determined in accordance with the rules that the assets of the fund exceed the amount likely to be required under paragraphs (*a*), (*b*), (*c*) and (*d*) above, or in the event of the winding up of the bank, or of any of the banks, for which the fund was established, or in such other circumstances as may be provided by the rules, the assets shall become applicable in such other manner as may be so specified.

(3) Subsections (6), (7), (8) and (9) of section 80 of this Act shall apply for the purposes of this section with the substitution for references to a superannuation reserve of references to a contributory superannuation fund and for references to that section of references to this section.

Power to make orders as to superannuation benefits.

82.—(1) The Minister for the Civil Service may, after consulting the Commissioners, by order extend or modify the superannuation benefits payable under sections 75, 76, 77, 78, 80 and 81 of this Act.

(2) The said Minister may, in particular, by an order under this section authorise the payment of superannuation benefits corresponding to those payable under the Superannuation Acts 1965 and 1967, or under any other enactment whether past or future, which relates to the superannuation benefits payable in respect of the service of civil servants, but shall not make an order which in his opinion would authorise the payment of superannuation benefits superior to those payable in respect of the service of civil servants.

1965 c. 74.
1967 c. 28.

(3) Subject to the restrictions imposed by subsection (2) above, an order under this section may in particular—

(*a*) authorise the granting of pensions for widows, children and other dependants of deceased employees, and of lump sums payable on retirement, or on death before retirement, and

(*b*) authorise the increase of pensions in cases corresponding to those where civil service pensions have been increased by the Pensions (Increase) Act 1944 or any subsequent Act relating to the increase of current pensions, and

1944 c. 21.

(*c*) make provision as to the kinds of service which may be treated as pensionable service, and as to payments in respect of employees transferred from one service to another, and

(*d*) amend any of the provisions of the sections specified in subsection (1) above, and

(*e*) make provision for transitional, supplemental or incidental matters;

and an order making provision corresponding to Part III or IV of the Superannuation Act 1965 (which provide for the payment of contributions in return for the benefits thereby conferred), may apply section 384 of the Income Tax Act 1952 (which provides that relief from income tax shall not be allowed in respect of such contributions).

1952 c. 10.

(4) An order under this section may be varied or revoked by a subsequent order and the power of making such orders shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution by either House of Parliament.

(5) In this section "civil servant" has the meaning assigned to it by section 98(2) of the Superannuation Act 1965.

Miscellaneous

Account to be prepared by Commissioners.

83.—(1) The Commissioners shall at the close of each year ending on 20th November prepare an account with respect to trustee savings banks containing such particulars and in such form as the Treasury may direct.

(2) The account shall, not later than 31st May in each year, be transmitted to the Comptroller and Auditor General.

Comptroller and Auditor General to report on certain accounts, etc.

84. The Comptroller and Auditor General shall each year examine, certify and report on the account transmitted to him under section 39 or 83 of this Act, and on the statement transmitted to him under section 42 thereof, and shall lay copies of them, together with copies of his report, before each House of Parliament.

Keeping by banks of ledgers, accounts and registers and minute books.

85.—(1) Any ledger, book of account, register or minute book required by any provisions of this Act or by the rules of a trustee savings bank, to be kept by a trustee savings bank may be kept by making entries in a bound book or by recording the matters in question in any other manner.

(2) Where any such ledger, book of account, register or minute book is not kept by making entries in a bound book but by some other means, precautions shall be taken to the satisfaction of the Inspection Committee for guarding against falsification and facilitating its discovery.

Forms of documents.

86.—(1) The Treasury shall have power, with the concurrence of the Commissioners, to make regulations prescribing the manner in which and the persons by whom any document required by this Act to be used in connection with a trustee savings bank is to be signed or executed, and the provisions of this Act with respect to the manner in which or person by whom any particular document is to be signed or executed shall, in so far as they conflict with any regulations under this subsection, cease to have effect as from the date when the regulations come into force.

(2) Except in so far as regulations under subsection (1) above otherwise provide, all receipts, orders, certificates, indorsements, accounts, returns or instruments, or other matters or things required for carrying into execution this Act shall contain such particulars and shall be made in such form and manner and under such conditions as shall be directed or required or approved by the Commissioners or their officers.

(3) The power to make regulations under this section shall be exercisable by statutory instrument a draft of which shall be laid before Parliament.

Rules of bank for authentication of documents.

87. Except in so far as regulations under section 86(1) of this Act otherwise provide, the rules of a trustee savings bank may provide for the execution and signing of instruments and documents on behalf of the trustees by not less than four trustees authorised for the purpose by the trustees, and any such rules, if duly certified shall be binding on all persons, and be operative for all purposes, but shall not affect anything contained in any regulations made by the Commissioners under section 38 of this Act.

Fees taken by Registrar.

88.—(1) The Treasury may by warrant direct that there shall be charged upon any certificate or authority given, and any award, order or determination made by the Registrar under this Act, such reasonable fee as may be fixed by the warrant of the Treasury.

(2) Every such fee shall be paid into the Consolidated Fund, and shall be paid by such persons and in such manner as may be directed by the warrant.

(3) No fee which is not allowed by the warrant shall be charged or taken in respect of any matter for which a fee can be charged under this section.

(4) The power of making warrants under this section shall be exercisable by statutory instrument and a draft statutory instrument under this section shall be laid before both Houses of Parliament for at least forty days before the statutory instrument is made, but section 6 of the Statutory Instruments Act 1946 shall not apply to a statutory instrument under this section.

1946 c. 36.

Exemption from stamp duty.

89. No stamp duty shall be charged on—

(*a*) a power, warrant or letter of attorney given by a person as trustee of a trustee savings bank or by a depositor in a trustee savings bank authorising a person to make a deposit on behalf of the depositor or to sign a document or instrument required by the rules of the bank on making a deposit, or to withdraw a deposit, or the interest on a deposit,

(*b*) a receipt, or entry in a receipt book, for a deposit in a trustee savings bank, or for any money received by a depositor, or his personal representatives, assigns or attornies, from the funds of a trustee savings bank, or

(*c*) a draft or order, an appointment of an agent, an instrument for the revocation of any such appointment, a surety-bond, or any other instrument or document whatever required or authorised to be given, issued signed, made or produced in pursuance of this Act.

Indemnity for Bank of England, etc.

90. Neither the Bank of England nor the Bank of Ireland nor the Commissioners shall be under any liability in respect of anything required or permitted to be done in pursuance of this Act.

Commissioners' staff.

91. The Commissioners may employ such clerks and other officers as may be necessary for the purposes of this Act, and the Minister for the Civil Service may determine the remuneration of those clerks or other officers.

Use of title of certified savings bank by unauthorised persons.

1954 c. 63.

92.—(1) If any person, not being a trustee savings bank, takes or uses, in connection with any business carried on by him, the title of "savings bank certified under the Act of 1863", "savings bank certified under the Trustee Savings Banks Act 1954" or "savings bank certified under the Trustee Savings Banks Act 1969", he shall be guilty of an offence.

(2) A person convicted on indictment of an offence under this section by a court in England, Wales or Northern Ireland shall be liable to a fine or to imprisonment for a term not exceeding two years or both.

(3) Where an offence under this section which has been committed by a body corporate is proved to have been committed with the consent or connivance of or is attributable to any neglect on the part of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he as well as the body corporate shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Modification of s. 9(3) of Finance Act 1956 and of certain other enactments which refer to ordinary deposits in trustee savings banks.

1956 c. 54.

93.—(1) In section 9(3) of the Finance Act 1956 (which provides for the extension to deposits with a savings bank maintained under a local Act of the relief given to an individual by that section from income tax on ordinary deposits with a trustee savings bank where the Treasury are satisfied that the deposits with the savings bank so maintained correspond with ordinary deposits in a trustee savings bank and in connection with that relief applies certain provisions of the Trustee Savings Banks Act 1954 to a savings bank so maintained)—

(*a*) any reference to an ordinary deposit in a trustee savings bank shall be construed as a reference to a savings account deposit in such a bank, and

(*b*) the reference to sections 25 to 38 of the said Act of 1954 shall be construed as referring to sections 32, 33(1) and (2), 34 (except subsections (3) and (5)), 35 to 37 and 39 to 42 of this Act and the reference to section 27(2) of that Act shall be construed as referring to section 34(2) of this Act.

(2) The Treasury may by order under the said section 9(3) make for any bank or department of a bank for the time being certified under that subsection the like provision as may be made for trustee savings banks by regulations under section 38 of this Act.

(3) In any enactment whereby a power is conferred on any person to invest in ordinary deposits in a trustee savings bank any reference to an ordinary deposit in a trustee savings bank shall be construed as a reference to a savings account deposit in such a bank.

Rate of interest on deposits in seamen's savings banks. 1894 c. 60.

94. Notwithstanding anything in section 34(3) or (5) of this Act, the interest to be paid by the Commissioners to the account of the Board of Trade on money representing deposits in seamen's savings banks under section 149(2) of the Merchant Shipping Act 1894 (which requires interest to be paid at the same rate as on the money received from trustee savings banks) shall continue to be paid at the rate fixed by order of the Treasury under section 34(2) of this Act for a receipt in respect of a payment of money representing savings account deposits.

Supplemental and general

Interpretation.

95.—(1) In this Act, unless the context otherwise requires—

" the Association " has the meaning assigned to it by section 8(5) of this Act;

" charges scheme " has the meaning assigned to it by section 21(1) of this Act;

" closed banks fund " has the meaning assigned to it by section 65(3) of this Act;

" the Commissioners " means the National Debt Commissioners;

" current account " has the meaning assigned to it by section 13(1) of this Act;

" current account deposit " has the meaning assigned to it by section 13(4) of this Act;

" current account service " has the meaning assigned to it by the said section 13(4);

" enactment " includes an enactment of the Parliament of Northern Ireland;

" friendly society " means a friendly society registered in the manner required by the Acts for the time being in force relating to friendly societies and includes a registered branch of a friendly society;

" the Fund " has the meaning assigned to it by section 33(1) of this Act;

" Inspection Committee " means the Committee established under section 4 of this Act;

" land " includes hereditaments and chattels real and in Scotland heritable subjects of any description;

" ordinary deposit " has the meaning assigned to it by section 12(3) of this Act;

" penny savings bank " means a bank the rules of which fix a sum not exceeding £5 as the maximum amount which may stand to the credit of any one depositor therein at any one time, and which provide, upon the attainment of that maximum amount, for its transfer to an account opened in the depositor's own name in the savings bank where the deposit account of the penny savings bank is kept;

" Registrar " has the meaning assigned to it by section 106 of the Friendly Societies Act 1896; 1896 c. 25.

" reserves " means as respects any bank the whole of the assets of the bank, less the amount necessary to discharge in full all liability to depositors in the bank and outstanding management expenses;

" savings account deposit " has the meaning assigned to it by section 13(4) of this Act;

" special investment " has the meaning assigned to it by section 12(3) of this Act;

" trustee " in relation to a trustee savings bank does not include a custodian trustee;

" trustee savings bank " means a bank certified under this Act, the Trustee Savings Banks Act 1954 or the Trustee Savings Banks Act 1863. 1954 c. 63. 1863 c. 87.

(2) Any reference in this Act to any enactment is a reference to it as amended by or under any other enactment.

Repeals, revocation, savings and consequential amendment.

96.—(1) The enactments specified in Part I of Schedule 3 to this Act are hereby repealed to the extent specified in the third column of that Part of that Schedule, and the order specified in Part II of that Schedule is hereby revoked to the extent specified in the third column of that Part of that Schedule.

(2) In so far as any instrument made or other thing whatsoever done under any enactment repealed by this Act could have been made or done under a corresponding enactment in this Act, it shall not be invalidated by the repeal of that enactment but shall have effect as if made or done under that corresponding enactment; and for the purposes of this provision anything which under section 82(2) of the Trustee Savings Banks Act 1954 had effect as if done under any enactment in that Act

shall, so far as may be necessary for the continuity of the law, be treated as done under the corresponding enactment in this Act.

(3) Subject to the provisions of this Act, the term of office of members of the Inspection Committee and the making of appointments, and the powers, procedure and duties of that Committee, shall continue to be governed by the scheme made
1891 c. 21. under section 2 of the Savings Banks Act 1891 in the same manner as immediately before the commencement of this Act, but on the date on which a scheme made under section 4 of this Act comes into force this subsection shall cease to have effect.

1954 c. 63. (4) Nothing in the repeals made by section 82 of the Trustee Savings Banks Act 1954 shall affect—

1819 c. 62. (*a*) the application of an Act passed in the fifty-ninth year of the reign of King George the Third intituled an Act for the Protection of Banks for Savings in Scotland to any savings bank established under that Act before 28th July 1863 unless and until that bank becomes a trustee savings bank; or

(*b*) the savings on the repeal of sections 12 and 51 to 54
1863 c. 87. of the Trustee Savings Banks Act 1863 contained in
1949 c. 13. section 12 of the Savings Banks Act 1949; or

(*c*) the savings on the repeal of provisions in section 41 of the said Act of 1863 contained in Schedule 11 to the
1949 c. 47. Finance Act 1949.

(5) Nothing in sections 45 and 46 of this Act shall apply to or affect any investment made before 5th July 1968 or any investment previously made in the exercise of powers conferred
1958 c. 8. by section 2 of the Trustee Savings Banks Act 1958 or section 41 of the Trustee Savings Banks Act 1954.

(6) Any reference in section 51(1) or 52(5) or (6) of this Act to the said section 52 includes, in relation to moneys applied before 25th January 1955, a reference to section 8 of the
1929 c. 27. Savings Banks Act 1929.

(7) Any enactment or other document referring to an enactment repealed by this Act or by the Trustee Savings Banks Act 1954 shall, so far as may be necessary for preserving its effect, be construed as referring, or as including a reference, to the corresponding enactment in this Act.

1914 c. 59. (8) In section 33(9) of the Bankruptcy Act 1914 for the words "section fourteen of the Trustee Savings Banks Act 1863" there shall be substituted the words "section 72 of the Trustee Savings Banks Act 1969".

1948 c. 38. (9) In section 398 of the Companies Act 1948 after the words "1863" there shall be inserted the words "the Trustee Savings Banks Act 1954 or the Trustee Savings Banks Act 1969", and in section 399(8) of the said Act of 1948 for the words

"Trustee Savings Banks Act 1887" there shall be substituted the words "Trustee Savings Banks Act 1969".

(10) In section 5(1) of the Administration of Estates (Small Payments) Act 1965, after the words "section 2 of this Act" there shall be inserted the words "or to section 28(5) of the Trustee Savings Banks Act 1969", and in section 6(3) of the said Act of 1965 after the words "this section" there shall be inserted the words "or section 29 of the Trustee Savings Banks Act 1969". 1965 c. 32.

(11) Nothing in the foregoing provisions of this section shall be taken as prejudicing the operation of section 38 of the Interpretation Act 1889 (which relates to the effect of repeals). 1889 c. 63.

Application to Northern Ireland.

97.—(1) It is hereby declared that this Act extends to Northern Ireland.

(2) In the application of this Act to Northern Ireland, the provisions of this Act relating to stamp duties (being matters with respect to which the Parliament of Northern Ireland may make laws) shall be treated for the purposes of section 6 of the Government of Ireland Act 1920 (which provides that that Parliament may amend laws of the Parliament of the United Kingdom passed before the day appointed for the purposes of that section) as passed before that day. 1920 c. 67.

Application of Act to banks in Republic of Ireland.

98.—(1) In relation to sums of money which at the commencement of this Act stand in the books of the Commissioners to the credit of a trustee savings bank in the Republic of Ireland or which may thereafter be credited in those books to such a trustee savings bank in pursuance of section 16 of this Act or any other enactment, references in this Act to trustee savings banks shall include references to trustee savings banks in the Republic of Ireland.

(2) Save as otherwise expressly provided by subsection (1) above or any other provision of this Act, references in this Act to trustee savings banks shall not include references to trustee savings banks in the Republic of Ireland.

Application to Isle of Man and Channel Islands.

99.—(1) This Act shall extend to the Isle of Man and the Channel Islands and shall have effect in those Islands subject to such adaptations and modifications as Her Majesty may by Order in Council specify.

(2) Any Order in Council made under subsection (1) above may be varied or revoked by a subsequent Order in Council so made.

Short title and commencement.

100.—(1) This Act may be cited as the Trustee Savings Banks Act 1969.

(2) This Act shall come into force on such day as the Treasury may by order made by statutory instrument appoint, being a day not earlier than the day appointed for the purposes of the Post Office Act 1969. 1969 c. 48.

SCHEDULES

Section 2.

SCHEDULE 1

MATTERS TO BE COVERED BY THE RULES OF A BANK WHICH IS TO HAVE THE BENEFIT OF THIS ACT

The rules of a trustee savings bank must expressly provide for the following matters.

1.—(1) That a person who is a treasurer, trustee or manager of the bank, or who has any control in the management of the bank, shall not derive any benefit from any deposit made in the bank.

(2) That the persons depositing money in the bank shall have the whole benefit of those deposits and the produce thereof, except for such salaries and allowances or other necessary expenses as may, according to the rules of the bank, be provided for the charges of managing the bank and for remuneration to officers employed in the management of the bank, so, however, that the treasurer, trustees, managers or other persons having direction of the management of the bank shall not directly or indirectly have any salary, allowance, profit or benefit whatsoever therefrom, beyond their actual expenses for the purposes of the bank.

In this sub-paragraph the reference to the benefit of deposits and the produce thereof shall be construed as not including a reference to the benefit of current account deposits or the produce thereof.

2.—(1) That not less than two persons who are trustees, managers or paid officers appointed for that specific purpose shall be present on all occasions of public business, and be parties to every transaction of deposit and repayment, so as to form at least a double check on every such transaction with depositors.

(2) That where the bank is open for not more than six hours in every week, and there are only two such persons, one of them shall be a trustee or manager.

Note.—Notwithstanding that this provision is contained in the rules, receipts and repayments of deposits may be carried out in accordance with section 26 of this Act.

3. That the depositor's pass book shall be compared with the ledger on every transaction of repayment, and in each year on its first production at the bank after 20th November.

In this paragraph the reference to a transaction of repayment shall not include a reference to a transaction of repayment of moneys standing to the credit of a current account, and the reference to a pass book shall be construed as a reference to the pass book in use by the bank for the purpose of savings account deposits or special investments, as the case may require.

4. That every depositor in the bank shall once at least in every year cause his deposit book to be produced at the office of the bank for the purpose of being examined.

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In this paragraph the reference to a deposit book shall be construed as a reference to a deposit book in use by the bank for the purpose of savings account deposits or special investments, as the case may require.

5. That no money be received from or paid to depositors except at the office or branch offices where the business of the bank is carried on under the authority of the board of managers, and during the usual hours for public business:

Provided that the rules of the bank may, if the Commissioners approve, provide for payments to and by depositors being made at the office of another bank, whether that other bank is a trustee savings bank or not.

6. That a public accountant or one or more auditors be appointed by the trustees and managers, but not out of their own body,—

(*a*) to examine the books of the bank, and

(*b*) to report in writing to the board or committee of management the result of the audit not less than once in every half-year, and

(*c*) to examine an extracted list of the depositors' balances made up every year to 20th November and to certify as to the correct amount of the liabilities and assets of the bank.

In this paragraph the reference to an extracted list of the depositors' balances shall be construed as a reference to an extracted list of the balances of the depositors standing to the credit of the accounts of their savings account deposits and special investments, and paragraph 7 below shall be construed accordingly.

7. That a book containing such an extracted list as aforesaid of every depositor's balance, omitting the name, but giving the distinctive number and amount of each, and showing the aggregate number and amount of the whole, checked and certified by the said public accountant or auditors, be open at any time during the hours of public business for the inspection of every depositor as respects his own account, to examine his own deposit book therewith, and the general results of the same.

In this paragraph the reference to a deposit book shall be construed as a reference to a deposit book in use by the bank for the purpose of savings account deposits or special investments, as the case may require.

8. That the trustees and managers or committee of management shall hold meetings once at least in every half year, and shall keep minutes of their proceedings in a separate book provided for that purpose.

9. That where a bank is established with agents or local receivers elsewhere than at the head office, those agents and local receivers shall duly receive and account for all moneys on account of the bank, that a second party shall be present in every transaction

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where money is paid or received, and that the depositors' books shall be periodically examined with the ledger, at least once in every year.

Note.—Notwithstanding that this provision is contained in the rules, receipts and repayments of deposits may be carried out in accordance with section 26 *of this Act.*

General note.—Additional requirements as to the contents of the rules are imposed by sections 18, 30, 43 *and* 67 *of this Act.*

Section 13.

SCHEDULE 2

MATTERS TO BE COVERED BY THE RULES OF A BANK PROVIDING A CURRENT ACCOUNT SERVICE

The rules of a trustee savings bank which provides a current account service must expressly provide for the following matters.

1. That, except for such salaries and allowances or other expenses or such part thereof as may, according to the rules of the bank and the provisions of this Act, be defrayed therefrom, neither the treasurer, trustees, managers or other persons having direction of the management of the bank shall, directly or indirectly, have any salary, allowance, profit or benefit whatsoever from any current account deposits or their produce or any amounts obtained under any charges scheme.

2. That a current account of a person shall be kept in the books of the bank separately from the account of the savings account deposits, or the special investments, of that person.

3. That, as soon as possible after the end of each accounting period in relation to a current account, that is to say the period beginning with the opening of the account and ending with such day falling not later than six months later as the bank may determine, and any subsequent period of not more than six months from the end of the previous accounting period, which the bank may determine, the bank shall cause to be delivered to the person in whose name the account stands a statement of each sum credited and debited to that account during that period and of the balance on the account at the end of that period.

SCHEDULE 3

Section 96.

REPEALS AND REVOCATION

PART I

ENACTMENTS REPEALED

Chapter	Short Title	Extent of Repeal
2 & 3 Eliz. 2. c. 63.	The Trustee Savings Banks Act 1954.	The whole Act.
3 & 4 Eliz. 2. c. 12.	The Trustee Savings Banks (Pensions) Act 1955.	The whole Act.
6 & 7 Eliz. 2. c. 8.	The Trustee Savings Banks Act 1958.	The whole Act.
9 & 10 Eliz. 2. c. 62.	The Trustee Investments Act 1961.	In Schedule 4, in paragraph 4(1), the words from the beginning to "trustee and" and the words "and subsection (1) of section twenty of the Trustee Savings Banks Act 1954", paragraph 4(2), in paragraph 4(3), the words "and subsection (1) of section twenty-four of the Trustee Savings Banks Act 1954" and, in paragraph 5, the words "and the Trustee Savings Banks Act 1954" and the words from "or ordinary" to "bank".
1964 c. 4.	The Trustee Savings Banks Act 1964.	The whole Act.
1965 c. 32.	The Administration of Estates (Small Payments) Act 1965.	In Schedule 1, in Part II, the entry relating to the Trustee Savings Banks Act 1954.
1968 c. 6.	The Trustee Savings Banks Act 1968.	The whole Act.

PART II

ORDER REVOKED

Reference	Title	Extent of Revocation
S.I. 1955/842	The Trustee Savings Banks (Pensions) Order 1955.	Article 2.