

Trustee Savings Banks Act 1968

1968 CHAPTER 6

An Act to amend the law relating to trustee savings banks.
[15th February 1968]

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:—

Increase of maximum rate of interest on ordinary deposits invested. 1954 c. 63. 1958 c. 8.

1. The maximum rate of interest which may be fixed by order of the Treasury under section 27(2) of the Trustee Savings Banks Act 1954 (in this Act referred to as " the principal Act ") as the rate at which interest is to be paid or credited on sums standing to the credit of trustee savings banks in the Fund for the Banks for Savings shall be £3 13s. 0d. per cent., instead of £3 2s. 6d. per cent. as provided by section 1(1) of the Trustee Savings Banks Act 1958 (in this Act referred to as " the Act of 1958 ").

Financing of capital expenditure for bank purposes.

2.—(1) The National Debt Commissioners may make to a trustee savings bank advances out of the Fund for the Banks for Savings in order to meet expenditure incurred by the bank in purchasing land or erecting buildings for the purpose 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 purpose; 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.

(3) Any expenditure incurred by a trustee savings bank 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 section 4(1) of the Act of 1958 (which authorises the application of surplus assets derived from ordinary deposits, advances and grants from other banks and other specified funds).

Banks' power of investment.

3.—(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 National Debt Commissioners by section 40 of the principal 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.

1961 c. 62.

(2) Without prejudice to the foregoing provision—

(*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 Consolidated Fund of the United Kingdom or 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 on which principal and interest are charged on the general revenues of the States.

(3) As from the date on which regulations under this section first come into force, section 2(1) of the Act of 1958 and Schedule 1 to that Act (which provide a narrower power of investment, confining it mainly to British Government and local authority securities) shall cease to have effect; but nothing in this section shall apply to or affect any investment made before that date, or any investment previously made in the exercise of powers conferred by the said section 2 or section 41 of the principal Act.

(4) Moneys received for special investment shall not be invested except in accordance with this section or section 2(2) and (3) of the Act of 1958 (which enable a bank's trustees to transfer such moneys to another trustee savings bank for investment or to place them on deposit or current account with a bank other than a savings bank), or section 2(1) of that Act so long as it remains in force.

(5) The provisions of this section 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.

(6) 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.

Removal of restrictions as to payment of money to Commissioners for investment.

4. Section 26(2) of the principal Act (under which money invested by the trustees of a trustee savings bank in accordance with section 25 of that Act is to be paid into the Fund for the Banks for Savings) shall have effect without the proviso (which prevents the payment in of sums less than £50 and requires, before payment, the production to the National Debt Commissioners of a declaration that the money belongs exclusively to the paying bank and also a supporting order by a bank trustee.)

Commissioners' accounts etc.

5.—(1) The account made out annually by the National Debt Commissioners in accordance with section 34 of the principal Act (interest accrued in the Fund for the Banks for Savings against interest credited to banks) and the statement prepared by them in accordance with section 37 of that Act (Government liabilities to banks and securities held to meet them) shall be in such form respectively as the Treasury may direct.

(2) The said account and statement and also the account prepared by the Commissioners in accordance with section 71 of the principal Act (general account with respect to trustee savings banks) shall, not later than 31st May in each year, be transmitted to the Comptroller and Auditor General, who shall examine, certify and report thereon and lay copies of them, together with copies of his report, before each House of Parliament.

(3) In section 36(1) of the principal Act (payment to Exchequer of any balance in the Fund for the Banks for Savings after crediting banks with interest and allowing for depreciation and expenses) the words " within three months after the account is laid before Parliament " shall be omitted.

(4) This section applies to accounts and statements in respect of the year ending 20th November, 1967 and every subsequent year.

Control of banks' apportionment of management costs.

6. The directions which may be given by the National Debt Commissioners to a trustee savings bank under section 40(1) of the principal Act with respect to the bank's business of making special investments include 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 such investments and the handling of ordinary deposits.

Service with Savings Banks Institute to be reckoned for superannuation.

7.—(1) In section 67 of the principal Act (which allows service in any trustee savings bank institution to count for superannuation in favour of a person pensionable as an officer of a trustee savings bank or the Inspection Committee) the expression "trustee savings bank service" shall include service as an officer of the Savings Banks Institute and the Institute shall be treated for purposes of that section as a savings bank institution; and accordingly in that section—

(*a*) for the words "or the Association", where they occur for the first time in subsection (1), there shall be substituted the words "the Association or the Savings Banks Institute (hereafter in this section called 'the Institute')";

(*b*) for those words wherever else they occur in the section there shall be substituted the words "the Association or the Institute";

(*c*) for the words "or Association" wherever they occur in the section, there shall be substituted the words "Association or Institute".

(2) The service which by virtue of this section is reckonable for purposes of superannuation under section 67 of the principal Act shall include service before the commencement of this Act, but only in the case of a person retiring or dying in service after that commencement.

(3) Nothing in this section restricts the matters for which provision may be made by an order of the Treasury under section 1 of the Trustee Savings Banks (Pensions) Act 1955 (extension or modification of superannuation benefits payable under sections 64 to 69 of the principal Act).

1955 c. 12.

(4) In this section and in section 67 of the principal Act "the Savings Banks Institute" means the body constituted by that name in January 1948.

Abolition of obsolete minor charge.

8. In section 47(10) of the principal Act (entitlement of depositor with trustee savings bank to copy of bank's annual statement) the words "on payment of one penny" shall be omitted.

Increased charge on Consolidated Fund.

9. There shall be charged on the Consolidated Fund of the United Kingdom any increase attributable to this Act in the sums payable out of the Consolidated Fund under section 36 of the principal Act.

Interpretation.

10. In this Act—

1958 c. 8.

"the Act of 1958" means the Trustee Savings Banks Act 1958; and

"the principal Act" means the Trustee Savings Banks Act 1954; 1954 c. 63.

and expressions used in this Act and the principal Act have the same meanings in this Act as in that Act.

Repeals.

11. The enactments specified in the second column of the Schedule to this Act are hereby repealed to the extent specified in the third column of the Schedule, but the repeals in section 2 of the Act of 1958 and the repeal of Schedule 1 to that Act shall have effect only from the first coming into force of regulations under section 3 of this Act.

Short title, citation and extent.

12.—(1) This Act may be cited as the Trustee Savings Banks Act 1968, and this Act and the Trustee Savings Banks Acts 1954 to 1964 may be cited together as the Trustee Savings Banks Acts 1954 to 1968.

(2) It is hereby declared that this Act extends to Northern Ireland, and this Act shall also extend to the Isle of Man and the Channel Islands.

Section 11.

SCHEDULE

ENACTMENTS REPEALED

Session	Short Title	Extent of Repeal
2 & 3 Eliz. 2. c. 63.	The Trustee Savings Banks Act 1954.	In section 26, the proviso to subsection (2) and subsection (3). Section 34(2). In section 36(1), the words " within three months after the account is laid before Parliament ". Section 37(2). In section 47(10) the words " on payment of one penny ". Section 71(2).
6 & 7 Eliz. 2. c. 8.	The Trustee Savings Banks Act 1958.	Section 1(1). Section 2(1), and in section 2(4) the words " Money received for special investment shall not be invested except in accordance with this section; and ". Schedule 1.
1964 c. 4.	The Trustee Savings Banks Act 1964.	In section 7(1), the words from " and the declaration " onwards.