



Post Office (Banking Services) Act 1976

1976 CHAPTER 10

An Act to extend the powers of the Post Office to provide banking services; to make capital available for the provision of those services; to reduce the capital debt of the Post Office; and for connected purposes. [25th March 1976]

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:—

1 Extension of power of Post Office to provide banking services.

- (1) In section 7(1)(b) of the Post Office Act 1969 (power to provide a banking service of the kind commonly known as a giro system) for the words from " a banking service " to " giro system " there shall be substituted the words " banking services " .
- (2) The words " or the Post Office " shall be added at the end of section 2(2) of the Protection of Depositors Act 1963 and of section 2(2) of the Protection of Depositors Act (Northern Ireland) 1964 (exemption from restriction on advertisements for deposits).

2 Financial objective.

The Secretary of State may from time to time determine, after consultation with the Post Office and with the concurrence of the Treasury, financial objectives to be achieved by the Post Office in providing banking services; and the duty of the Post Office to achieve those objectives shall be in addition to the duty imposed on it by section 31(1) of the Post Office Act 1969 (revenue to be sufficient to meet charges properly chargeable to revenue account).

3 Government investment in Post Office's banking services.

- (1) The Secretary of State may from time to time pay to the Post Office out of moneys provided by Parliament such sums, to be used by it for the purposes of its banking services, as he thinks fit.
- (2) Sums received by the Post Office under subsection (1) of this section are in this section referred to as public dividend capital and shall be treated for the purposes of section 36(2) of the Post Office Act 1969 (aggregate limit of indebtedness) as being part of the aggregate mentioned therein.
- (3) In consideration of receiving public dividend capital the Post Office shall make to the Secretary of State for each accounting year (except any with respect to which the Post Office satisfies him that it would be inappropriate to make a payment under this subsection) payments (in this section referred to as public dividends) of such amounts as may be proposed by the Post Office and agreed by the Secretary of State or such other amounts as the Secretary of State may determine after consultation with the Post Office.
- (4) In proposing, agreeing or determining the amounts of public dividends the Post Office and the Secretary of State shall have regard to the financial results of the banking services provided by the Post Office.
- (5) The Secretary of State shall pay any public dividends received by him under this section into the Consolidated Fund.
- (6) For the purposes of this section the Post Office shall be deemed to have received on 1st April 1975 public dividend capital of the amount of £13 million.
- (7) References in this section to the Secretary of State are references to him acting with the approval of the Treasury.

4 Reduction of capital debt of Post Office.

- (1) The liability of the Post Office in respect of—
 - (a) the commencing capital debt assumed by it under section 33(1) of the Post Office Act 1969 ; and
 - (b) any debt incurred by it before 1st April 1975 under section 35(2) of that Act (power to borrow for purposes for which capital moneys are properly applicable);is hereby reduced by £29.7 million; and accordingly the assets of the National Loans Fund are hereby reduced by the same amount.
- (2) Of the amount by which the liability of the Post Office is reduced by virtue of this section £8.48 million shall be treated as reducing its commencing capital debt and the remainder as reducing the principal of moneys borrowed under section 35(2) of the Post Office Act 1969.
- (3) The reduction under this section of the liability of the Post Office and of the assets of the National Loans Fund shall be deemed to have been effected on 1st April 1975.
- (4) Section 1(2) of the Post Office (Borrowing) Act 1972 is hereby repealed.

5 Accounts.

In section 39 of the Post Office Act 1969 (accounts of Secretary of State) the word " and " after " section 37 of this Act " shall be omitted, and after the words " that section " there shall be inserted the words " and of sums paid or received by him under the Post Office (Banking Services) Act 1976 " .

6 Short title and extent.

- (1) This Act may be cited as the Post Office (Banking Services) Act 1976.
- (2) This Act extends to the whole of the United Kingdom, the Channel Islands and the Isle of Man.