

**Changes to legislation:** Building Societies Act 1986, Cross Heading: No duty to enquire as to capacity of society etc. is up to date with all changes known to be in force on or before 09 July 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

## SCHEDULES

### SCHEDULE 2

#### ESTABLISHMENT, INCORPORATION AND CONSTITUTION OF BUILDING SOCIETIES

##### Modifications etc. (not altering text)

- C1** Sch. 2 modified (3.1.1995) by [1994 c. 40, ss. 17\(3\), 82\(2\)](#)
- C1** Sch. 2 applied (with modifications) (7.4.2010) by [The Building Societies \(Financial Assistance\) Order 2010 \(S.I. 2010/1188\), arts. 1\(2\), 8](#)

#### <sup>F1</sup>[PART II

#### CAPACITY OF SOCIETY AND POWER OF DIRECTORS TO BIND IT]

##### Textual Amendments

- F1** Sch. 2 Pt. II substituted (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of [S.I. 1997/2668](#)) by [1997 c. 32, ss. 3\(2\), 47\(3\), Sch. 1; S.I. 1997/2668, art. 2, Sch. Pt. II\(c\)](#)

<sup>F1</sup>[ *No duty to enquire as to capacity of society etc.*]

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- <sup>F2</sup>18 (1) A party to a transaction with a building society is not bound to enquire as to whether it is permitted by the society's constitution or as to any limitation on the powers of the board of directors to bind the society or authorise others to do so.
- (2) Notwithstanding anything in paragraph 3(2) above, sub-paragraph (1) above applies in relation to members of the society as it applies in relation to other persons.]

##### Textual Amendments

- F2** Sch. 2 Pt. II substituted (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of [S.I. 1997/2668](#)) by [1997 c. 32, ss. 3\(2\), 47\(3\), Sch. 1; S.I. 1997/2668, art. 2, Sch. Pt. II\(c\)](#)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 5(11)-(14) inserted by [2007 c. 26 s. 1\(2\)](#)
- s. 5(13)(a) substituted by [S.I. 2013/496 Sch. 8 para. 4\(4\)](#)
- s. 7(6A)-(6C) inserted by [2007 c. 26 s. 1\(1\)\(a\)](#)
- s. 7(8A) inserted by [2007 c. 26 s. 1\(1\)\(c\)](#)
- s. 176ZB excluded by [S.I. 2017/400 reg. 14](#)
- s. 246ZA-246ZC excluded by [S.I. 2017/400 reg. 15](#)
- s. 246ZD excluded by [S.I. 2017/400 reg. 16](#)