



Building Societies Act 1986

1986 CHAPTER 53

PART XI

MISCELLANEOUS AND SUPPLEMENTARY AND CONVEYANCING SERVICES

Miscellaneous and supplementary

107 Restriction of use of certain names and descriptions.

- (1) Subject to subsections (2) to (9) below, no person carrying on in the United Kingdom a business of any description shall, unless that person is a building society, use any name or in any other way so describe himself or hold himself out so as to indicate, or reasonably be understood to indicate—
 - (a) that he is a building society,
 - (b) that he, or his business, is connected with one or more building societies, or
 - (c) that he, or his business, is connected with building societies generally.
- (2) Subsection (1) does not prohibit the use by an institution carrying on the business of taking deposits and making loans secured on land which has its principal place of business in a country or territory outside the United Kingdom, of the name under which the institution carries on business in that country or territory if—
 - (a) the name is used in immediate conjunction with a description distinguishing the institution from a building society, being a description which has been approved for the purposes of this subsection by the [F¹FCA] and the approval has not been revoked under subsection (7) below, and
 - (b) where the name appears in writing, that description is sufficiently prominent to secure that a person who reads the name will also read the description.
- (3) For a description to distinguish an institution from a building society for the purposes of subsection (2) above it must distinguish it by reference to all or any of the following matters,—
 - (a) the situation of its principal place of business,
 - (b) its legal status or constitution, and

Changes to legislation: Building Societies Act 1986, Section 107 is up to date with all changes known to be in force on or before 28 September 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

(c) the law (if any) which authorises it to take deposits in the United Kingdom, as the [F1FCA] determines in its case, but need not indicate any other distinction.

(4) Subsection (1) above does not prohibit a person from carrying on a business under a name which indicates a connection between—

- (a) that person, or his business, and one or more building societies, or
- (b) that person, or his business, and building societies generally,

if the name has been approved for the purposes of this subsection by the [F1FCA] and the approval has not been revoked under subsection (7) below.

(5) No name shall be approved for the purposes of subsection (4) above unless the [F1FCA] , having regard to—

- (a) the true connection (if any) in fact existing between the person using, or proposing to use, the name and the particular society or societies in question or with building societies generally, as the case may be, and
- (b) in the cases referred to in subsection (4)(a) above, the respective natures of the business of that person and the society or societies in question,

is satisfied that the connection indicated by the name is not misleading; and, in so far as the name indicates investment or other financial support on the part of a building society the [F1FCA] shall not approve the use of the name unless it is satisfied that the name indicates no more investment or support than is the case and than is, in the opinion of the [F1FCA] , within the financial capacity of the building society to provide.

(6) An application for approval under subsection (2) or (4) above shall be made to the [F1FCA] in such form as it directs and accompanied by such information or evidence as it requires generally or in the particular case.

(7) The [F1FCA] may revoke any approval under subsection (2) or (4) above of a distinguishing description or a name, as the case may be, if it is of the opinion—

- (a) in the case of a distinguishing description, that, by reason of any change in the matters by reference to which the distinction is made, the description does not or does not any longer distinguish the institution as required by subsection (2) above, or
- (b) in the case of a name.
 - (i) that the name has proved to be misleading to the public,
 - (ii) that the approval has been obtained by fraud or mistake, or
 - (iii) that there has been a change in the facts to which the [F1FCA] had regard in giving its approval,

but it shall not do so without first giving the person to whom the approval was given an opportunity of making representations with respect to the proposed revocation of that approval.

(8) Subsection (1) above does not prohibit a person from using a description (other than his name) which, or from holding himself out in a way that, indicates a connection between himself or his business and one or more building societies if and to the extent he has been authorised to do so in writing by the society or societies in question.

(9) Subsection (1) above does not prohibit a person from using a description (other than his name) which, or from holding himself out in a way that, indicates a connection

Changes to legislation: Building Societies Act 1986, Section 107 is up to date with all changes known to be in force on or before 28 September 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

between himself or his business and building societies generally where the connection indicated is not misleading.

- (10) Where on an application for—
- (a) the first registration of a company, or the registration of a company by a new name, by [^{F2}the registrar of companies under the Companies Act 2006], or
 - [^{F3}(b) approval by the Secretary of State of words or expressions for inclusion in a business name under section 1194 of the Companies Act 2006,]

it appears to the registrar, [^{F4}or the Secretary of State], as the case may be, that the use of the name or the words or [^{F5}expressions] by the person seeking to register with it would contravene subsection (1) above, the registration shall not be made or the approval given.

- (11) A person who contravenes subsection (1) above shall be liable on summary conviction to a fine not exceeding level 5 on the standard scale; and where the contravention involves a public display or exhibition of the offending name, description or other matter, there shall be a fresh contravention of the subsection on each day during which that person causes or permits the display or exhibition to continue for which that person shall be liable on summary conviction to a fine not exceeding £200.

[^{F6}(12) In this section—

“deposit” must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act;

“institution” means—

- (a) a body corporate wherever incorporated;
- (b) a partnership formed under the law of any part of the United Kingdom;
- (c) [^{F7}...]

Textual Amendments

- F1** Word in s. 107 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 47](#) (with Sch. 12)
- F2** Words in s. 107(10)(a) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), [Sch. 1 para. 87\(8\)\(a\)](#) (with art. 10)
- F3** S. 107(10)(b) substituted for s. 107(10)(b)(c) (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), [Sch. 1 para. 87\(8\)\(b\)](#) (with art. 10)
- F4** Words in s. 107(10) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), [Sch. 1 para. 87\(8\)\(c\)\(i\)](#) (with art. 10)
- F5** Word in s. 107(10) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), [Sch. 1 para. 87\(8\)\(c\)\(ii\)](#) (with art. 10)
- F6** S. 107(12) substituted (1.12.2001) by 2001/3649 arts. 1, 198(2)
- F7** Words in s. 107(12) omitted (31.12.2020) by virtue of [The Building Societies Legislation \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1187\)](#), regs. 1, 5; 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation:

Building Societies Act 1986, Section 107 is up to date with all changes known to be in force on or before 28 September 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.

[View outstanding changes](#)

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](#)