



Building Societies Act 1986

1986 CHAPTER 53

PART VI

POWERS OF CONTROL OF THE [F¹APPROPRIATE AUTHORITY]

Inspections, etc

57 Inspections: supplementary provisions.

(1) In this section—

“the body under investigation” means the building society whose affairs or, as the case may be, the building society whose affairs, and each [F¹connected undertaking of] the building society whose affairs, are the subject of the investigation;

“the inspectors” means the persons appointed F²... under section 56 to conduct the investigation;

“the investigation” means the investigation under section 56 which the inspectors have been appointed to hold;

and references to officers or to agents include past, as well as present, officers or agents (as the case may be) and “agents”, in relation to a building society or any [F¹connected undertaking of] a building society, includes its bankers, its accountants and solicitors and its auditors.

(2) When the inspectors have been appointed it is the duty of all officers and agents of the body under investigation—

- (a) to produce to the inspectors all documents and material of or relating to the body under investigation which are in their custody or power;
- (b) to attend before the inspectors when required to do so, and
- (c) otherwise to give the inspectors all assistance in connection with the investigation which they are reasonably able to give.

(3) If the inspectors consider that a person other than an officer or agent of the body under investigation is or may be in possession of information concerning its affairs, they

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may require that person to produce to them any documents or material in his custody or power relating to the body under investigation, to attend before them and otherwise to give them all assistance in connection with the investigation which he is reasonably able to give; and it is that person's duty to comply with the requirement.

- (4) The inspectors may examine on oath the officers and agents of the body under investigation, and any such person as is mentioned in subsection (3) above, in relation to the affairs of the body under investigation, and may administer an oath accordingly.
- (5) An answer given by a person to a question put to him under the foregoing provisions of this section may be used in evidence against him.
- [^{F3}(5A) However, in criminal proceedings in which that person is charged with an offence to which this subsection applies—
- (a) no evidence relating to the answer may be adduced, and
 - (b) no question relating to it may be asked,
- by or on behalf of the prosecution, unless evidence relating to it is adduced, or a question relating to it is asked, in the proceedings by or on behalf of that person.
- (5B) Subsection (5A) above applies to any offence other than—
- (a) an offence under section 2 or 5 of the Perjury Act 1911 (false statements made on oath otherwise than in judicial proceedings or made otherwise than on oath);
 - (b) an offence under section 44(1) or (2) of the Criminal Law (Consolidation) (Scotland) Act 1995 (false statements made on oath or otherwise than on oath); or
 - (c) an offence under Article 7 or 10 of the ^{M1}Perjury (Northern Ireland) Order 1979 (false statements made on oath otherwise than in judicial proceedings or made otherwise than on oath).]

(6) If an officer or agent of the body under investigation or any such person as is mentioned in subsection (3) above—

 - (a) refuses to produce any document or material which it is his duty under this section to produce, or
 - (b) refuses to attend before the inspectors when required to do so, or
 - (c) refuses to answer any question put to him by the inspectors with respect to the affairs of the body under investigation,

the inspectors may certify the refusal in writing to the High Court; and the court may thereupon inquire into the case and, after hearing any witnesses who may be produced against or on behalf of the alleged offender and after hearing any statement which may be offered in defence, may punish the offender in like manner as if he had been guilty of contempt of the court.

(7) The inspectors may, and if so directed by the [^{F4}body which appointed the inspectors] shall, make interim reports to the [^{F4}body which appointed the inspectors] , but they may at any time in the course of the investigation, without making an interim report, inform the [^{F4}body which appointed the inspectors] of matters coming to their knowledge as a result of the investigation tending to show that an offence has been committed.

(8) The [^{F5}body which appointed the inspectors] may, if it thinks fit—

 - (a) send a copy of any report made by the inspectors to the body whose affairs are or were the subject of the investigation;

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- (b) furnish a copy of any such report on request ^{F6}. . . to—
- (i) any member of the body whose affairs are or were the subject of the investigation;
 - (ii) the auditors of that body;
 - (iii) any person whose conduct is referred to in the report;
 - (iv) any other person whose financial interests appear to the [^{F5}body which appointed the inspectors] to be affected by matters dealt with in the report, whether as creditor or otherwise; and
- (c) cause the report to be printed and published.

[^{F7}(8A) The [^{F8}body which appointed the inspectors] may charge a reasonable fee for furnishing to any person a copy of a report under subsection (8)(b) above.]

(9) A copy of a report of inspectors appointed under section 56 to hold an investigation under that section, certified by the [^{F9}body which appointed the inspectors] to be a true copy, is admissible in any legal proceedings as evidence of the opinion of the inspectors in relation to any matter contained in the report; and a document purporting to be such a certificate shall be received in evidence and be deemed to be such a certificate, unless the contrary is proved.

(10) The [^{F10}body which appointed the inspectors] shall be entitled to be repaid the expenses of the investigation defrayed by it under section 56(6)(d) as provided in the following paragraphs, that is to say—

- (a) by the applicants for the investigation, to such extent (if any) as the [^{F10}body which appointed the inspectors] may direct;
- (c) by any person convicted of an offence in proceedings instituted as a result of the investigation, to such extent (if any) as the court by or before which he was convicted may order;

and a person liable under any one of paragraphs (a) to (c) above is entitled to contribution from any other person liable under the same paragraph, according to the amount of their respective liabilities under it.

(11) In the application of this section to a building society whose principal office is in Scotland, any reference to the High Court shall be read as a reference to the Court of Session.

Textual Amendments

- F1** Words in s. 57(1) 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. 43, 47(3), **Sch. 7 para. 23**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xii)**
- F2** Words in s. 57(1) omitted (1.4.2013) by virtue of **The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)**, art. 1(1), **Sch. 8 para. 22(2)** (with Sch. 12)
- F3** S. 57(5A)(5B) inserted (14.4.2000 (E.W.N.I.) and 1.1.2001 (S.)) by 1999 c. 23, ss. 59, 68(3)(4), **Sch. 3 para. 9** (with **Sch. 7 paras. 3(3), 5(2)**); S.I. 2000/1034, **art. 2(a)(3)**; S.S.I. 2000/445, **art. 2**
- F4** Words in s. 57(7) substituted (1.4.2013) by **The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)**, art. 1(1), **Sch. 8 para. 22(3)** (with Sch. 12)
- F5** Words in s. 57(8) substituted (1.4.2013) by **The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)**, art. 1(1), **Sch. 8 para. 22(3)** (with Sch. 12)
- F6** Words in s. 57(8)(b) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 8, 13(2), **Sch. 4** (with art. 13(3), **Sch. 5**); S.I. 2001/3538, **art. 2(1)**

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- F7** S. 57(8A) inserted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2(a)(b), 8, 13(1), **Sch. 3 para. 155(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F8** Words in s. 57(8A) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 22(3)** (with Sch. 12)
- F9** Words in s. 57(9) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 22(3)** (with Sch. 12)
- F10** Words in s. 57(10) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 22(3)** (with Sch. 12)

Modifications etc. (not altering text)

- C1** S. 57(1) amended (E.W.) (1.1.1992) by S.I. 1991/2684, arts. 2(1), 4, **Sch. 1**
- C2** S. 57(5)(5A)(5B) extended (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 para. 13(2)**; S.I. 2002/2711, **art. 2** (subject to arts. 3-5)
 S. 57(5)(5A)(5B) extended (*prosp.*) by S.I. 2002/3152, arts. 1(2)(3), 4, **Sch. 2 para. 13(2)**
- C3** S. 57(5)-(5B) applied (NI) (2.2.2004) by The Insolvency (Northern Ireland) Order 2002 (S.I. 2002/3152), art. 1(3), **Sch. 2 para. 13(2)**; S.R. 2003/545, art. 2 (subject to S.R. 2003/546, arts. 2-7)

Marginal Citations

- M1** S.I. 1979/1714 (N.I. 19).

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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](#)