



# Building Societies Act 1986

## 1986 CHAPTER 53

### PART VII

#### MANAGEMENT OF BUILDING SOCIETIES

##### *Disclosure and record of related businesses*

#### **69 Disclosure and record of income of related businesses.**

- (1) Where, at any time during a financial year of a building society, a person both is a director or other officer of a building society and is, or is a director of or partner in, a business associate of the society, this section shall apply, as respects that year, to that person in relation to the business of the business associate.
- (2) A person is a “business associate” of a building society in any financial year of the society if that person—
  - (a) carries on a business which consists of or includes the provision of relevant services,
  - (b) provides relevant services during that year to, or to other persons in connection with [<sup>F1</sup>loans] secured on land made by, the society and
  - [<sup>F2</sup>(c) is not a connected undertaking of the society;]and “associated” has a corresponding meaning.
- (3) The following are relevant services—
  - (a) conveyancing services provided by a solicitor;
  - (b) surveying and valuing land or other property;
  - (c) accountancy services;
  - (d) arranging for the provision of insurance against loss of or damage to property or on human life;
  - (e) any other services designated as relevant services.

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- (4) Where a business associate of a building society provides the society with services which are relevant services by virtue of subsection (3) above, any administrative services provided to the society by the business associate are also relevant services.
- (5) The [<sup>F3</sup>Treasury] may by order in a statutory instrument—
- (a) designate as relevant services services of any description specified in the order which are normally provided to building societies; and
  - (b) make such incidental, supplementary or transitional provision as [<sup>F4</sup>they consider] necessary or expedient;

and in subsection (3)(e) above “designated” means designated by an order under this subsection.

- (6) Where this section applies, as respects a financial year of a building society, to a person as a director or other officer of the society in relation to the business of a business associate, that person shall furnish the society with the requisite particulars of that business.
- (7) The requisite particulars of the business of a business associate of a building society are—
- (a) except where an election under paragraph (b) below is in force, those specified in Part I of Schedule 10 to this Act;
  - (b) if a building society elects to adopt Part II of that Schedule for its directors [<sup>F5</sup>and other officers] as respects a financial year, those specified in Part II of that Schedule; and
  - (c) as regards relevant services designated by an order under subsection (5) above, such particulars as are specified in the order;

and Part III of the Schedule has effect to supplement Parts I and II and includes a definition of “the volume of the business” for the purposes of this section.

- (8) An election by a building society to adopt Part II of Schedule 10 as regards the requisite particulars to be furnished by its directors [<sup>F5</sup>and other officers] must be made in writing to the [<sup>F6</sup>FCA] before the beginning of the financial year as respects which it is made and the requisite particulars must be furnished in writing within the period of six weeks beginning with the end of the financial year for which they are required.
- (9) For the purpose of enabling him to furnish the requisite particulars of the business of a business associate of a building society the person who is under the obligation to furnish them to the society may require any person who is a member of or partner in, or holds any office or employment with, the business associate to furnish him with such information relating to its business as he may reasonably require for that purpose.
- (10) Any person who, without reasonable excuse—
- (a) fails to furnish the particulars required by subsection (6) above or furnishes particulars which are false or misleading in a material particular or, in the case of particulars under Part II to Schedule 10, are not a justified estimate, or
  - (b) fails to furnish any information lawfully required of him under subsection (9) above or furnishes information which is false or misleading in a material particular,

shall be liable on conviction on indictment or on summary conviction to a fine not exceeding, on summary conviction, the statutory maximum.

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- (11) Subject to subsection (12) below, a building society shall maintain at its principal office a register containing the particulars furnished to it under subsection (6) above as respects the last financial year and each of the ten financial years preceding that year.
- (12) No particulars of the business of a business associate of a building society need be kept in the register provided for by subsection (11) above as respects any financial year of the society in which the volume of the business of which the requisite particulars are required did not exceed [<sup>F7</sup>£10,000] or such other sum as may be substituted for it by order of the [<sup>F8</sup>Treasury] in a statutory instrument under this subsection.
- (13) A building society shall make available for inspection by members—
- (a) at its principal office during the period of 15 days expiring with the date of its annual general meeting, and
  - (b) at the annual general meeting,
- a statement containing the particulars required to be kept in the register under subsection (11) above as respects the last financial year.
- [<sup>F9</sup>(14) The society must send two copies of the statement required to be made available under subsection (13) to the FCA and, if the society is a PRA-authorized person, one copy to the PRA, on the date on which the statement is required to be first made available to members.
- (14A) The FCA must keep a copy of the statement in the public file of the society.]
- (15) A copy of the statement required to be so made available shall also be sent, on demand and on payment of [<sup>F10</sup>such fee (not exceeding £5) as the society may from time to time determine], to any member of the society.
- [<sup>F11</sup>(15A) Where a copy of a statement is required to be sent to a member under subsection (15)—
- (a) it may be sent to him electronically only if it is sent to an electronic address notified by the member for the purpose; but
  - (b) the requirement to send it shall also be treated as satisfied if the conditions set out in subsection (15B) are satisfied.
- (15B) The conditions of this subsection are satisfied in the case of a statement if—
- (a) the society and the member have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the statement in question;
  - (c) the member is notified <sup>F12</sup>... of—
    - (i) the publication of the statement on a web site,
    - (ii) the address of that web site, and
    - (iii) the place on that web site where the statement may be accessed, and how it may be accessed; and
  - (d) a copy of the statement continues to be published on that web site throughout the period of 21 days beginning with the day on which the society notifies the member in accordance with paragraph (c).]

(16) <sup>F13</sup>... any statutory instrument containing [<sup>F14</sup>an order made under subsection (5) or (12) above] shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(17) In this section—

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“administrative services” means services necessary or incidental to the conduct of the society’s business;

“conveyancing services” in relation to—

(a) <sup>F15</sup>land in England and Wales means the preparation of transfers, conveyances, contracts and other documents in connection with, and other services ancillary to, the disposition or acquisition of estates or interests in land; and for the purposes of this paragraph—

(i) “disposition”—

(a) does not include a testamentary disposition or any disposition in the case of such a lease as is referred to in section 54(2) of the Law of Property Act 1925 (short leases); but

(b) subject to that, includes in the case of leases both their grant and their assignment; and

(ii) “acquisition” has a corresponding meaning,

(aa) land in Northern Ireland has the same meaning as in paragraph (a) above with the modification that “disposition” does not include any disposition in the case of such a lease as is excepted, by section 4 of the Landlord and Tenant Law Amendment Act (Ireland) 1860, from the requirements of that section, and]

(b) heritable property in Scotland, includes drafting all writs relating to such property and negotiating and concluding missives for its purchase, sale, transfer, lease and sublease; and

“solicitor”, in relation to England and Wales, includes <sup>F16</sup>any person who, for the purposes of the Legal Services Act 2007, is an authorised person in relation to an activity which constitutes a reserved instrument activity (within the meaning of that Act).]

#### Textual Amendments

- F1** Word in s. 69(2)(b) 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. 27(1)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xv)**
- F2** S. 69(2)(c) 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. 27(1)(b)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xv)**
- F3** Words in s. 69(5) substituted (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. 162(a)(i)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F4** Words in s. 69(5) substituted (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. 162(a)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F5** Words in s. 69(7)(b)(8) inserted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 27(2)**; S.I. 1997/1427, **art. 2(k)(n)(v)**
- F6** Word in s. 69(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. 26(2)** (with Sch. 12)
- F7** Word in s. 69(12) substituted (6.4.2007) by **The Building Societies Act 1986 (Substitution of Specified Amounts and Modification of the Funding Limit Calculation) Order 2007 (S.I. 2007/860)**, arts. 1, **2(6)**
- F8** Word in s. 69(12) substituted (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 Pt. II para. 162(c)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(a)**

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- F9** S. 69(14)(14A) substituted for s. 69(14) (1.4.2013) by **The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)**, art. 1(1), **Sch. 8 para. 26(3)** (with Sch. 12)
- F10** Words in s. 69(15) substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 27(3)**; S.I. 1997/1427, **art. 2(k)(n)(v)**
- F11** S. 69(15A)(15B) inserted (20.3.2003) by **The Building Societies Act 1986 (Electronic Communications) Order 2003 (S.I. 2003/404)**, arts. 1(1), **5**
- F12** Words in s. 69(15B)(c) omitted (18.2.2014) by virtue of **Financial Services (Banking Reform) Act 2013 (c. 33)**, s. 148(2), **Sch. 9 para. 10**
- F13** Words in s. 69(16) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F14** Words in s. 69(16) substituted (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. 162(e)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F15** Words in s. 69(17) substituted (22.7.2004) by **Statute Law (Repeals) Act 2004 (c. 14)**, **Sch. 2 para. 18**
- F16** Words in s. 69(17) substituted (1.1.2010) by **Legal Services Act 2007 (c. 29)**, s. 211(2), **Sch. 21 para. 72** (with ss. 29, 192, 193); S.I. 2009/3250, art. 2(h)

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

- C1** S. 69 modified by S.I. 1987/1498, art. 7, **Sch. 2 para. 6**
- C2** S. 69 modified (13.1.1993 for certain purposes only and 1.1.1994 for all remaining purposes) by **Friendly Societies Act 1992 (c. 40)**, s. 27, **Sch. 11 Pt. II para. 9(1)(g)(2)(4)** (with ss. 7(5), 93(4)); S.I. 1993/16, art. 2, **Sch. 1**; S.I. 1993/2213, art. 2, **Sch. 5**.
- C3** S. 69 modified (1.7.1992) by S.I. 1992/1547, arts. 5, 6, **Sch. 2**
- C4** S. 69(3)(a)(17) amended (E.W.) (1.1.1992) by S.I. 1991/2684, arts. 2(1), 4, **Sch. 1**
- C5** S. 69(5)(12): Functions of the Building Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. III** (with art. 5); S.I. 2001/3538, **art. 2(1)**
- C6** S. 69(6) excluded by S.I. 1986/2169, **art. 9(1)**
- C7** S. 69(8) modified by S.I. 1986/2169, **art. 9(2)**

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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](#)