



Building Societies Act 1986

1986 CHAPTER 53

PART X

DISSOLUTION, WINDING UP, MERGERS AND TRANSFER OF BUSINESS

Dissolution and winding up

89 Winding up by court: grounds and petitioners.

- (1) A building society may be wound up under the applicable winding up legislation by the court on any of the following grounds in addition to the grounds referred to or specified in section 37(1), that is to say, if—
- (a) the society has by special resolution resolved that it be wound up by the court;
 - (b) the number of members is reduced below ten;
 - (c) the number of directors is reduced below two;
 - (d) being a society registered as a building society under this Act or the repealed enactments, the society has not been [^{F1}given permission under [^{F2}Part 4A] of the Financial Services and Markets Act 2000 to accept deposits] and more than three years has expired since it was so registered;
 - [(e) the society's permission under [^{F2}Part 4A] of the Financial Services and Markets Act 2000 to accept deposits has been cancelled (and no such permission has subsequently been given to it);]
 - (f) the society exists for an illegal purpose;
 - (g) the society is unable to pay its debts; or
 - (h) the court is of the opinion that it is just and equitable that the society should be wound up.
- (2) Except as provided by subsection (3) below, section 37 or the applicable winding up legislation, a petition for the winding up of a building society may be presented by—
- [^{F3}(a) the FCA, after consulting the PRA if the society is a PRA-authorized person,
 - (aa) if the society is a PRA-authorized person, the PRA, after consulting the FCA,]
 - (b) the building society or its directors,

Changes to legislation: *Building Societies Act 1986, Section 89 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) any creditor or creditors (including any contingent or any prospective creditor), or
 - (d) any contributory or contributories,
- or by all or any of those parties, together or separately.
- (3) A contributory may not present a petition unless either—
- (a) the number of members is reduced below ten, or
 - (b) the share in respect of which he is a contributory has been held by him, or has devolved to him on the death of a former holder and between them been held, for at least six months before the commencement of the winding up.
- (4) For the purposes of this section, in relation to a building society,
- ^{F4}(a)
 - [^{F5}(b) the reference to its existing for an illegal purpose includes a reference to its existing after it has ceased to comply with the requirement imposed by section 5(1)(a) (purpose or principal purpose).]
- (5) In this section, “contributory” has the same meaning as in paragraph 9(2) or, as the case may be, paragraph 37(2) of Schedule 15 to this Act.

Textual Amendments

- F1** S. 89(1)(e) and words in s. 89(1)(d) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617, art. 13\(1\), Sch. 3 Pt. II, para. 175\(a\)\(i\)\(ii\)](#) (with [art. 13\(3\)](#), [Sch. 5](#)) [S.I. 2001/3538, art. 2\(a\)](#)
- F2** Words in s. 89(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 8 para. 33\(2\)](#) (with [Sch. 12](#))
- F3** S. 89(2)(a)(aa) substituted for s. 89(2)(a) (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 8 para. 33\(3\)](#) (with [Sch. 12](#))
- F4** S. 89(4)(a) repealed (1.12.2001) by [S.I. 2001/2617, arts. 2\(b\), 13\(2\), Sch. 4](#) (with [art. 13\(3\)](#), [Sch. 5](#) and with saving in [S.I. 2001/2967, arts. 1\(2\), 9\(1\)\(c\)](#)); [S.I. 2001/3538, art. 2\(1\)](#)
- F5** S. 89(4)(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. 39](#); [S.I. 1997/2668, art. 2, Sch. Pt. II\(w\)\(z\)\(xxiii\)](#)

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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](#)