

These notes refer to the Dormant Bank and Building Society Accounts Act 2008 (c.31) which received Royal Assent on 26th November 2008

DORMANT BANK AND BUILDING SOCIETY ACCOUNTS ACT 2008

EXPLANATORY NOTES

COMMENTARY ON SECTIONS AND SCHEDULES

Part 1: Transfer of balances in dormant accounts

Section 4: Effect of balance transfer on membership rights

42. Building society members enjoy various rights under the Building Societies Act 1986, subject to the internal rules of the building society. These include the right to receive distributions when a society merges or demutualises in accordance with section 96 or 100 of the Building Societies Act 1986.
43. *Subsections (1) to (4)* ensure that building society membership rights are preserved where the balance of a dormant account held by a member of the society is transferred under section 1 or 2, until the point at which the customer is repaid.
44. *Subsection (5)* ensures that where a reclaimed balance is paid back into a building society account within a reasonable time, membership rights continue to be preserved until the money has been credited to the account. After the money has been credited, application of the usual rules relating to membership will resume. This ensures that continuity of membership rights is preserved throughout. The period of membership immediately prior to the transfer of the balance to the reclaim fund, the period it remained unclaimed, the period between the claim and the deposit of the money in a building society account, and the subsequent period, will all count towards calculating the total length of membership for the purposes of any rights for which a qualifying period of membership applies.
45. *Subsection (6)* ensures that membership rights are preserved where a customer's original building society merges with or transfers its business to another building society.