



Dormant Bank and Building Society Accounts Act 2008

2008 CHAPTER 31

PART 1

TRANSFER OF BALANCES IN DORMANT ACCOUNTS

Alternative scheme for smaller institutions

2 Transfer of balances to charities, with proportion to reclaim fund

(1) This section applies where—

- (a) a smaller bank or building society transfers to an authorised reclaim fund an agreed proportion of the balance of a dormant account that a person (“the customer”) holds with it,
- (b) the bank or building society transfers the remainder of that balance to one or more charities,
- (c) the charity, or each of the charities, either—
 - (i) is a charity that the bank or building society considers to have a special connection with it, or
 - (ii) undertakes to apply the money in question for the benefit of members of communities that are local to the branches of the bank or building society,
- (d) the reclaim fund consents to the transfer to it, and
- (e) the charity, or each of the charities, consents to the transfer to it.

(2) After the transfers—

- (a) the customer no longer has any right against the bank or building society to payment of the balance, but
- (b) the customer has against the reclaim fund whatever right to payment of the balance the customer would have against the bank or building society if the transfers had not happened.

Status: This is the original version (as it was originally enacted).

- (3) The reference in subsection (1) to an account that a person holds is to be read as including an account held by a deceased individual immediately before his or her death.

In such a case, a reference in subsection (2) to the customer is to be read as a reference to the person to whom the right to payment of the balance has passed.

- (4) In subsection (1) “agreed proportion” means a proportion agreed between the bank or building society and the reclaim fund.

In agreeing that proportion, the reclaim fund must take account of the need for the fund to have access at any given time to enough money to enable it to meet whatever repayment claims it is prudent to anticipate.

- (5) For the purposes of this section—

- (a) “repayment claim” means a claim made by virtue of subsection (2)(b);
- (b) a “smaller” bank or building society is one that meets the assets-limit condition (see section 3);
- (c) a charity has a “special connection” with a bank if (and only if) the purpose, or any of the main purposes, of the charity is to benefit members of communities that are local to the branches of the bank;
- (d) a charity has a “special connection” with a building society if (and only if) the purpose, or any of the main purposes, of the charity—
 - (i) is to benefit members of communities that are local to the branches of the building society, or
 - (ii) is especially consonant with any particular purposes that the building society has.

- (6) The reference in subsection (5)(d)(ii) to particular purposes does not include the purpose mentioned in section 5(1)(a) of the Building Societies Act 1986 (c. 53) (making loans that are secured on residential property and substantially funded by members).