
STATUTORY INSTRUMENTS

1989 No. 839

The Building Societies (Provision of Services) Order 1989

Amendment of Schedule 8 to the Act

3. This article amends Schedule 8 (powers to provide services) to the Act as follows:
- (a) In Part II of Schedule 8, for paragraph 4 there shall be substituted the following paragraph—

“4. The right to recover any sum overdrawn (with or without interest on it) on an unauthorised overdraft on an account with a building society shall not be treated as excluded by paragraph 1 above.”;
 - (b) To Part II of Schedule 8 there shall be added, after paragraph 5, the following paragraph—

“6. Paragraph 1 above shall not be taken to prevent the power to provide the service of trusteeship or the power to provide the service of executorship from conferring the power on a building society acting in the capacity of trustee or personal representative—

 - (i) to make advances or loans of any description, or
 - (ii) to acquire land.”;
 - (c) Part III of Schedule 8 shall be varied by the deletion of paragraphs 1(b) and (c);
 - (d) In Part III of Schedule 8, for paragraph 3 there shall be substituted the following paragraph—

“3. In relation to the power to provide the service of trusteeship—

 - (a) a building society may not accept trusteeship of a prohibited trust, and
 - (b) a building society which becomes aware that a trust of which it is trustee has become a prohibited trust shall retire as trustee of that trust as soon as it is practicable to do so.”;
 - (e) In Part IV of Schedule 8, in paragraph 8 (interpretation), after the definition of “arranging” there shall be inserted the following definitions—

““bailment”, in relation to Scotland, means “hire”;

“chattels” means—

 - (i) in relation to England and Wales and Northern Ireland, all personal chattels other than things in action and money, and
 - (ii) in relation to Scotland, all corporeal moveables except money;”;
 - (f) In Part IV of Schedule 8, in paragraph 8, for the definition of “leasable chattel” there shall be substituted the following definition—

““leasable chattels” means chattels which are, or are to be, subject to bailment to a person in return for periodical payments by that person under an agreement which may but need not contain provision (or be part of a series of agreements containing provision) for the property in those chattels to become vested in that person;”;
 - (g) In Part IV of Schedule 8, in paragraph 8, after the definition of “the principal business of a building society” there shall be inserted the following definition—

““prohibited trust” means a trust which is either—

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- (a) a trust under which the majority in number of the beneficiaries who are for the time being ascertained are non-charitable corporate bodies, or
- (b) a trust of funds in a pension scheme which includes provisions requiring the investment of any of those funds in shares in or deposits with a building society of which the trustee is a subsidiary.”