



Credit Unions Act 1979

1979 CHAPTER 34

Registration as a credit union

3 Use of name “credit union”, etc.

(1) The name of every society registered as a credit union shall contain the words “credit union”^[F1] or, if the rules of the society state that its registered office is to be in Wales, either those words or the words “undeb credyd”].

(2) Subject to subsection (3) below, a person shall not, unless registered as a credit union,

- (a) use in reference to himself a name, title or descriptive expression containing the words “credit union” or ^[F2]undeb credyd or] any cognate term or any derivative of those words; or
- (b) represent himself as being a credit union;

and any person who contravenes this subsection shall be guilty of an offence and liable on summary conviction to a fine not exceeding ^[F3]level 4 on the standard scale].

^[F4](3) Subsection (2) above does not apply to—

- (a) the use, in reference to itself, of a name, title or descriptive expression by any body corporate which falls within subsection (3A) below;
- (b) the use by any person or unincorporated association with reference to himself (or itself) of a name which has been approved in writing by the ^[F5]FCA]; or
- (c) the use by any officer or employee of—
 - (i) a credit union,
 - (ii) a body corporate which falls within subsection (3A) below, or
 - (iii) a person or association which has obtained approval under paragraph (b) above,

of a title or descriptive expression indicating his office or post with that credit union, body, person or association.]

^[F6](3A) A body corporate falls within this subsection if its head office is not in England, Wales or Scotland and it—

- (a) has ^[F7]permission under Part 4A of the 2000 Act] to accept deposits;

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- (b) is exempt from the prohibition imposed by section 19 of that Act in respect of accepting deposits;
 - (c) has permission under that Act to accept deposits by virtue of qualifying for authorisation under Schedule 3 or 4 to that Act; or
 - (d) is subject to legal provisions that are similar to the relevant provisions.
- (3B) For the purposes of subsection (3A)(d) above, a body corporate is to be treated as being subject to legal provisions that are similar to the relevant provisions if it is subject to legal provisions which—
- (a) provide that the main activities carried on by the body are accepting deposits from, and lending money to, persons who are members or shareholders of the body;
 - (b) require the body to obtain authorisation or approval before it commences business;
 - (c) require the members and shareholders of the body to be linked by reference to some common characteristic or circumstance; and
 - (d) provide that those from whom the body accepts deposits must be shareholders or members of the body (although the legal provisions may allow for some exceptions to this proposition).
- (3C) In determining, for the purposes of subsection (3A)(d) above, whether a body corporate is subject to legal provisions that are similar to the relevant provisions, regard must be had as to whether the legal provisions to which it is subject require the body to obtain authorisation or approval before it commences business and whether those provisions—
- (a) impose limits on the objects which the body may or must have,
 - (b) impose limits on the membership of the body,
 - (c) impose restrictions on the kind of activities which the body may carry on,
 - (d) impose limits or conditions on the body's ability to accept deposits,
 - (e) impose limits on the value of the shares which any one shareholder may have in the body,
 - (f) impose limits on the body's ability to lend money,
- which are similar to those imposed by the relevant provisions.
- (3D) In this section—
- (a) “legal provisions” includes laws, regulations and administrative provisions;
 - (b) “relevant provisions” means—
 - (i) the provisions of this Act; and
 - (ii) any provision of or made under [^{F8} the 2014 Act] or the 2000 Act so far as it relates to credit unions.]
- (4) For the purposes of [^{F9} section 10(3) and (4) of the 2014 Act] (societies which may be permitted to have a name which does not contain the word “limited”) the objects of a credit union shall not be regarded as wholly charitable or benevolent.

Textual Amendments

- F1** Words in s. 3(1) added (21.12.1993) by 1993 c. 38, ss. 29(2), 36(1).
F2 Words in s. 3(2) inserted (21.12.1993) by 1993 c. 38, ss. 29(3), 36(1).
F3 Words substituted by virtue of (E.W.) Criminal Justice Act 1982 (c. 48, SIF 39:1), s. 46 and (S.) Criminal Procedure (Scotland) Act 1975 (c. 21, SIF 39:1), s. 289G

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- F4** S. 3(3) substituted (13.2.2003) by Regulatory Reform (Credit Unions) Order 2003 (S.I. 2003/256), arts. 1, **4(2)**
- F5** Word in s. 3(3)(b) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 6 para. 5(2)** (with Sch. 12)
- F6** S. 3(3A)-(3D) inserted (13.2.2003) by Regulatory Reform (Credit Unions) Order 2003 (S.I. 2003/256), arts. 1, **4(3)**
- F7** Words in s. 3(3A)(a) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 6 para. 5(3)** (with Sch. 12)
- F8** Words in s. 3(3D)(b)(ii) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 4(2)** (with Sch. 5)
- F9** Words in s. 3(4) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 4(3)** (with Sch. 5)

Commencement Information

- I1** S. 3(2)(3) in force at 1.9.2003 by S.I. 2003/306, **art. 2**

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