



Building Societies Act 1986

1986 CHAPTER 53

PART V

POWERS TO PROVIDE SERVICES

34 Powers to provide financial services or services relating to land

- (1) A building society may provide services of the descriptions for the time being specified in Part I of Schedule 8 to this Act subject to the restrictions (if any) for the time being specified in Part II or III of that Schedule.
- (2) The appropriate authority may by order vary Schedule 8 by adding to or deleting from it any description of service or any provision or by varying any description of service or any provision for the time being specified or contained in it but not so as to confer any power to provide services other than services that appear to the authority making the order to be financial services or services relating to land or to be services similar to any such services.
- (3) Any power conferred on building societies under subsection (2) above may be conferred on building societies of a specified description or all building societies other than those of a specified description.
- (4) Where a provision of Part III of that Schedule states that a power to provide a specified service is available only to a subsidiary or other associated body of a building society the power to provide that service is to be treated as a power of the society for the purposes of section 18 only.
- (5) Any power to provide a specified service, if available to a building society or any subsidiary or other associated body, must, in order to be exercisable, be adopted by the society.
- (6) Subject to any specified restriction, any power to provide a specified service shall be exercisable in relation to members of the building society or other persons.
- (7) Part IV of Schedule 8 has effect for supplementing Parts I, II and III of that Schedule and the power under subsection (2) above to vary that Schedule includes, without

Status: This is the original version (as it was originally enacted).

prejudice to the generality of that subsection, power to make such provision as appears to the authority making the order to be appropriate by way of a sanction for contravention of any restriction for the time being contained in Part III.

- (8) The "appropriate authority" for the purpose of exercising the powers conferred by this section is the Treasury as regards any variation of Part I of Schedule 8 with or without other provision and the Commission in any other case.
- (9) The power to make an order under subsection (2) above is exercisable by statutory instrument and—
 - (a) in the case of an order varying Part I of Schedule 8 with or without other provision no such order shall be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament, and
 - (b) in the case of any other order, the instrument containing it shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (10) An order under subsection (2) above may make such incidental and transitional provision as appears to the authority making the order to be necessary or expedient.
- (11) In this section—
 - "financial services" means any of the following services, that is to say, banking, insurance, investment, trusteeship and executorship;
 - "services relating to land" means any service relating to the acquisition, management, development or disposal of land; and
 - "specified" means specified for the time being in Schedule 8 to this Act.

35 Prohibition on linking services

- (1) A building society which, or a subsidiary of which, provides services of any description specified in Part I of Schedule 8 to this Act shall not offer to make a class 1 advance to any person subject to a condition that any services of that description which are or may be required by that person in connection with the making of the advance shall be provided by the society or its subsidiary.
- (2) Where, in connection with a class 1 advance by a building society, several services are made available by a building society or by a building society and one or more of its subsidiaries the society shall not, and shall secure that each of its subsidiaries does not, make the services available on terms other than terms which distinguish the consideration payable for each service so made available; nor shall any of its subsidiaries make the services available on terms other than terms which make that distinction.
- (3) Nothing in subsection (2) above prevents a service from being provided free of charge or free of charge in particular circumstances.
- (4) If a building society contravenes subsection (1) or (2) above the society shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale and so shall any officer who is also guilty of the offence.
- (5) If a body corporate which is a subsidiary of a building society contravenes subsection (2) above the body corporate shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale.