
STATUTORY INSTRUMENTS

1987 No. 1349

BUILDING SOCIETIES

The Building Societies Investor Protection Scheme
(Maximum Protected Investment) Order 1987

Made - - - - 23rd July 1987
Coming into force - - 1st October 1987

The Treasury, in exercise of the powers conferred on them by section 27(6) of the Building Societies Act 1986(1) and after consultation with the Building Societies Investor Protection Board established by section 24 of that Act, hereby make the following Order, a draft of which has been laid before, and approved by a resolution of, each House of Parliament:

Citation and commencement

1. This Order may be cited as the Building Societies Investor Protection Scheme (Maximum Protected Investment) Order 1987 and shall come into force on 1st October 1987.

Amendment of section 27(5) of the Building Societies Act 1986

2. In section 27(5)(b) of the Building Societies Act 1986 (amount of investor's protected investment), for "£10,000" there shall be substituted "£20,000".

23rd July 1987

Michael Neubert
Peter Lloyd
Two of the Lords Commissioners of Her
Majesty's Treasury

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Order)

The investor protection scheme provided for in the Building Societies Act 1986 gives those who have invested money in a building society which has become insolvent the right to receive a payment from a fund to which all authorised building societies are required to contribute. The amount to which each investor is entitled under the scheme is a proportion (normally 90 per cent) of his protected investment. Subsection (5) of section 27 of the 1986 Act provides that an investor's protected investment in a society is the total liability of the society to him which is referable to sums deposited with the society or to shares in the society, subject to a specified maximum. This Order amends that subsection so as to increase the maximum from £10,000 to £20,000.