
STATUTORY INSTRUMENTS

2008 No. 2546

The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008

PART 6

FINANCIAL SERVICES COMPENSATION SCHEME

Liability of Bradford & Bingley to the FSCS and the Treasury

30.—(1) Bradford & Bingley is liable to the FSCS in respect of an amount equal to the aggregate of—

- (a) the amount which the FSCS is liable to pay under article 28(1)(a); and
- (b) the amount which the Treasury are liable to pay under article 28(1)(b).

(2) Bradford & Bingley, the FSCS and the Treasury shall agree terms on which, subject to paragraph (6), the amount of Bradford & Bingley's liability to the FSCS under paragraph (1) is to be reduced out of excess cash flow and other proceeds.

(3) The FSCS shall determine the proportion of any amount which it receives or recovers from Bradford & Bingley which is properly attributable to each type of liability described below and shall promptly on receipt account to the Treasury as follows—

- (a) in full, where the liability is a liability which has been transferred under article 16(1)(a) and the person to whom such transferred liability is owed would not have been entitled to make a claim for compensation from the FSCS immediately before the first transfer time; and
- (b) up to the amount of the excess, where the liability is a liability owed by Bradford & Bingley to a qualifying claimant and the amount of such liability exceeds the maximum compensation that the qualifying claimant would have been entitled to claim from the FSCS immediately before the first transfer time,

and, where the liability is a liability owed by Bradford and Bingley to a qualifying claimant and the amount of such liability is equal to or less than the maximum compensation that the qualifying claimant would have been entitled to claim from the FSCS immediately before the first transfer time, that amount shall be for the account of the FSCS.

(4) Once all the assets of Bradford & Bingley have been realised and distributed, if the claim of the FSCS against Bradford & Bingley has not been satisfied in full, Bradford & Bingley's liability for the shortfall shall be extinguished, without prejudice to any claim the FSCS may have against any other party.

(5) The FSCS shall not take or join in any corporate action or other steps or legal proceedings for the winding-up, dissolution or re-organisation or for the appointment of an administrator, liquidator or similar appointment in respect of Bradford & Bingley, or any analogous step or proceeding in any other jurisdiction.

(6) Nothing in this Part shall have the effect that the FSCS recovers less than it would have recovered if this Order had not been made and Bradford and Bingley had gone into liquidation

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

following the declaration of default by the Authority in relation to Bradford and Bingley for the purposes of section 6.3 of the COMP Sourcebook.