



Trustee Savings Banks Act 1985

1985 CHAPTER 58

The reorganisation

2 The Central Board and the reorganisation

- (1) The Central Board shall have power to do anything (whether or not involving the expenditure or investment or borrowing of money or the acquisition or disposal of any property or rights) which in their opinion is calculated to facilitate the reorganisation or is incidental or conducive to it.
- (2) Without prejudice to the generality of subsection (1) above, the Central Board shall have power to determine the consideration due for the transfer of any assets by virtue of section 3(1)(b) or (c) below and whether or not the consideration due for the transfer or the consideration due (where any is to be due) for shares or rights to shares disposed of under subsection (1) above in connection with the reorganisation is (whether on the part of all or any description of acquirer) to be paid or left unpaid for any period or, in the case of shares or rights to shares, to be full consideration or discounted.
- (3) Any determination of the Central Board under subsection (2) above relating to the transfer of assets by virtue of section 3(1) (b) or (c) below shall be binding on the trustees (including the custodian trustees) and officers of the existing banks and their depositors.
- (4) The Central Board shall—
 - (a) after the vesting day, cease to exercise their functions except for the purposes of or in connection with the reorganisation or winding up their affairs ;
 - (b) when directed to do so by the Treasury (if they have not already done so under subsection (1) above), make arrangements for securing the formation of bodies corporate with such charitable objects as the Board in each case determine and the vesting in those bodies, whether or not for any consideration, of such shares or rights to shares in the new holding company as the Board in each case determine;
 - (c) when directed to do so by the Treasury (if they have not already done so under subsection (1) above), dispose of any shares or rights to shares in the new

holding company which are held by or, as the case may be, vested in the Board in connection with the reorganisation and pay the proceeds to that company ; and on such day as the Treasury appoints by order made by statutory instrument the Board shall cease to exist.

3 Transfer of assets, liabilities, etc. from existing to new institutions

- (1) Subject to subsection (8) below, on the vesting day there shall, by virtue of this subsection, be transferred to and vested in the new holding company—
 - (a) all the property, rights, liabilities and obligations of the Central Board except any shares in the new holding company;
 - (b) all the shares of the existing banks in the existing holding company; and
 - (c) all the property, rights, liabilities and obligations of the existing holding company.
- (2) Subject to paragraph 2 of Schedule 2 to this Act, the transfer of the assets specified in paragraphs (b) and (c) of subsection (1) above shall be for the consideration determined by the Central Board under section 2 above and the consideration for the transfer of the shares specified in paragraph (b) shall be treated for the purposes of this section as having accrued to the bank immediately before the transfer of the bank's assets effected by subsection (3) below.
- (3) Subject to subsections (4), (5) and (8) below, on the vesting day, there shall, by virtue of this subsection, be transferred from each of the existing banks to and vested in its successor all the property, rights, liabilities and obligations of the bank.
- (4) The liabilities referable to a depositor's deposit with a bank which are transferred by subsection (3) above to the bank's successor are liabilities to return his deposit and to pay interest on it (if it was payable) at the rate prevailing immediately before the vesting day, but, as from that day, the rights, liabilities and obligations referable to the deposit shall become instead rights, liabilities and obligations incident to the relationship of customer and banker (and variable accordingly).
- (5) The rules of each of the existing banks shall not, by virtue of subsection (3) above, bind its successor, but nothing in subsection (3) or (4) above or the foregoing provision of this subsection shall affect the continuance in force of any direction, authority or power subsisting with reference to a customer's account with a bank immediately before the transfer of the account to its successor.
- (6) References in this Act to property, rights, liabilities and obligations of any body comprised in the existing TSB group are, subject to subsection (8) below, references to property, rights, liabilities and obligations of theirs whether or not capable of being transferred or assigned and, in its application to an existing bank, property, rights, liabilities and obligations are property, rights, liabilities or obligations " of " the bank whether they are vested in or incumbent on the custodian trustees of the bank, the general trustees of the bank or the bank as an institution.
- (7) The substitution effected by the foregoing provisions of this section of a body comprised in the new TSB group for a body comprised in the existing TSB group as employer under contracts of employment subsisting immediately before the vesting day shall, in the case of the successor to an existing bank, be treated for the purposes of the application of paragraph 17(3) of Schedule 13 to the Employment Protection (Consolidation) Act 1978 or the corresponding Northern Ireland enactment (continuity

of employment on statutory substitution of employers), as the substitution of one body corporate for another body corporate.

- (8) No person holding office as a member of the Central Board, as an officer of the existing holding company, as a trustee of an existing bank or as an auditor shall be entitled, by virtue of the foregoing provisions of this section, to hold any corresponding office in any body comprised in the new TSB group.
- (9) Schedule 1 to this Act has effect for supplementing this section.
- (10) In subsection (7) above " the corresponding Northern Ireland enactment" is paragraph 10(3) of Schedule 1 to the Contracts of Employment and Redundancy Payments Act (Northern Ireland) 1965.

4 Dissolution of existing banks and repeal of 1981 Act etc.

- (1) As from the vesting day the trustees of each of the existing banks—
 - (a) shall cease to act further as trustees in the business of the bank except for the purpose of preparing the accounts for the final financial year of the bank as an institution to which the Trustee Savings Banks Act 1981 applies; and
 - (b) with that exception, shall be discharged from their statutory or other obligations and liabilities as trustees of the bank except as regards anything done or omitted before that day for which, in accordance with section 42 of that Act, they are personally liable ;and when the preparation of those accounts has been completed the trustees shall vacate office.
- (2) On such day as the Treasury, by order made by statutory instrument, appoints the existing banks shall be dissolved by virtue of this subsection and the dissolution extends to any trustee savings bank to which (without its dissolution), by any amalgamation or succession of amalgamations, an existing bank has succeeded.
- (3) On such day as the Treasury, by order made by statutory instrument, appoints—
 - (a) the Trustee Savings Banks Act 1981, and
 - (b) the other enactments relating to such banks,shall, subject to any provision made under subsection (5) below, cease to have effect.
- (4) Different days may be appointed under subsection (3) above for the repeal of different provisions.
- (5) Any order under subsection (3) above may contain such transitional and saving provisions as appear to the Treasury to be appropriate in connection with the reorganisation.
- (6) In subsection (2) above " trustee savings bank " means a bank certified under the Trustee Savings Banks Act 1981, the Trustee Savings Banks Act 1969, the Trustee Savings Banks Act 1954 or the Trustee Savings Banks Act 1863 and, in subsection (3) (b) above, " the other enactments relating to such banks " has the meaning given by section 7(3) below.