



# Trustee Savings Banks Act 1985

## 1985 CHAPTER 58

### *The reorganisation*

#### **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

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*Status: This is the original version (as it was originally enacted).*

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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.