

## SCHEDULES

### SCHEDULE 13

Section 83.

#### SCHEMES FOR INVESTIGATION OF COMPLAINTS : RECOGNITION, ACCESSION, ETC.

##### *Preliminary*

- 1 For the purposes of this Schedule, a scheme—
- " qualifies for recognition " if it makes provision for the matters specified in Part I of Schedule 12 and the matters action in relation to which is subject to investigation under the scheme consist of or include one or more of the prescribed matters of complaint; and
  - " conforms to the relevant requirements " if, in relation to a prescribed matter of complaint, it makes action in relation to that matter subject to investigation in accordance with Part III of that Schedule ;
- and any reference to a scheme qualifying for recognition, or being recognised, to any " extent" indicates recognition of it for the purpose of investigations of action in relation to one or more prescribed matters of complaint.
- 2 (1) The function of the Commission of granting recognition of schemes is exercisable, in accordance with paragraph 4 or 5 below, on the Commission's own motion or on a submission for its approval made by or on behalf of any building societies.
- (2) In this Schedule, in relation to a scheme recognised by the Commission to any extent, a " direction for its recognition " means a direction that the scheme is, to the extent specified in the direction, a scheme recognised by the Commission.

##### *The register of recognised schemes*

- 3 (1) The central office shall maintain a register of recognised schemes for the investigation of complaints (" the register"), and the register shall—
- (a) contain a copy of every scheme and the direction for its re cognition a copy of which is directed to be kept in it by any provision of this Part of this Schedule ; and
  - (b) be available for inspection on reasonable notice by members of the public on payment of the prescribed fee.
- (2) Any member of the public shall be entitled, on payment of the prescribed fee, to be furnished with a copy of any scheme and the direction for its recognition kept in the register.

##### *Procedure for recognition: Commission's initiative*

- 4 (1) If it appears to the Commission, from its own enquiries or from information made available to it, that a scheme has been made or is in operation which qualifies for recognition the Commission shall consider the scheme and the extent to which it qualifies for recognition.

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- (2) If, on consideration of a scheme, the Commission is satisfied that the scheme qualifies for recognition and conforms to the relevant requirements in relation to one or more prescribed matters of complaint, the Commission shall approve the scheme as a recognised scheme to such extent as it considers appropriate.
- (3) The Commission shall, on approving a scheme under this paragraph, give a direction for its recognition.
- (4) On giving a direction for the recognition of a scheme, the Commission shall send a copy of the scheme and of the direction to the central office ; and the central office shall keep the copy of the scheme and of the direction in the register.

*Procedure for recognition : submission by societies*

- 5 (1) Submission by or on behalf of building societies of a scheme for approval by the Commission as a recognised scheme shall be made by an application for recognition which shall be—
  - (a) made in such manner as the Commission specifies, either generally or in any particular case ; and
  - (b) accompanied by such information as the Commission may reasonably require, either generally or in any particular case, in order to make its decision on the application ;

and in this paragraph " the applicants " means those societies or the person acting on their behalf for the purposes of the application.
- (2) Where an application is made to the Commission for recognition of a scheme then—
  - (a) if it appears to the Commission that the scheme qualifies for recognition and conforms to the relevant requirements in respect of one or more of the prescribed matters of complaint, the Commission shall approve the scheme as a recognised scheme to such extent as it considers appropriate;
  - (b) if it appears to the Commission that the scheme, with modifications, will, in addition to qualifying for recognition, conform to the relevant requirements in respect of one or more of the prescribed matters of complaint, and the applicants agree on appropriate modifications within the period of 21 days from the date on which the Commission notifies the applicants of the modifications it proposes for their agreement, the Commission shall approve the scheme as modified as a recognised scheme to such extent as it considers appropriate ;

but otherwise it shall withhold its approval.
- (3) The Commission shall, on approving a scheme, give a direction for its recognition and send copies of the direction to the applicants.
- (4) On giving a direction for the recognition of a scheme, the Commission shall also send a copy of the scheme and of the direction to the central office ; and the central office shall keep the copy of the scheme and of the direction in the register.

*Procedure on accession to schemes*

- 6 (1) A building society which accedes to a recognised scheme or has acceded to a scheme which becomes a recognised scheme shall, within the period of 21 days beginning with the date of its accession or on which it receives a copy of the direction for its

recognition, as the case may be, send a notice of that fact to the central office and to the Commission.

- (2) A notice by a society under sub-paragraph (1) above shall specify the prescribed matters of complaint action in relation to which by the society is subject to investigation under the scheme.
- (3) The central office, on receiving such a notice from a society, shall, if satisfied that the scheme is a recognised scheme to the extent required to enable the society to comply with its duty under section 83(3) in relation to the prescribed matters of complaint specified in the notice record the accession of the society to the scheme in the public file of the society.
- (4) If a building society fails to comply with sub-paragraph (1) above, the society shall be liable on summary conviction—
  - (a) to a fine not exceeding level 4 on the standard scale ; and
  - (b) in the case of a continuing offence, to an additional fine not exceeding £100 for every day during which the offence continues ;
 and so shall any director of the society who is also guilty of the offence.

#### *Withdrawal of recognition*

- 7 (1) The Commission may withdraw its recognition of a scheme if it appears to the Commission that—
  - (a) the scheme does not conform to the relevant requirements ; or
  - (b) the scheme is so operated as not to conform to those requirements.
- (2) Withdrawal of recognition of a scheme under this paragraph may operate in relation to the scheme as a whole or to the extent to which the scheme makes one or more prescribed matters of complaint subject to investigation under it.
- 8 (1) If the Commission proposes at any time to withdraw recognition of a scheme to any extent, it shall serve on each member, on the body administering the scheme and on the adjudicator under the scheme, a notice stating—
  - (a) that the Commission proposes to withdraw recognition and to what extent;
  - (b) the grounds for the proposed withdrawal of recognition ; and
  - (c) that the person receiving the notice may make representations with respect to the proposed withdrawal within such period of not less than 14 days as may be specified in the notice.
- (2) The Commission shall, before reaching a decision on whether to withdraw recognition, consider any representations made to it in accordance with sub-paragraph (1) above and shall serve on every person on whom it served a notice under that sub-paragraph a notice stating its decision and the grounds for it.
- 9 Withdrawal of recognition by the Commission shall take effect as from such date as is specified in the notice of its decision, being a date not less than one year nor more than two years after the date of the notice.

#### *Withdrawal from membership*

- 10 (1) A building society wishing to withdraw from membership of a recognised scheme shall send notice of its proposed withdrawal to the central office and to the Commission.

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- (2) A notice by a society under sub-paragraph (1) above shall specify the prescribed matters of complaint action in relation to which by the society is subject to investigation under the scheme and the recognised scheme or recognised schemes of which it is or, on its withdrawal, will become a member under which, as regards each of the prescribed matters of complaint specified in the notice, action by the society is or will be subject to investigation.
- (3) The central office, on receiving such a notice from a society, if satisfied that its withdrawal from the scheme will not result in a failure by it to comply with the duty imposed on it by section 83(3), shall confirm the withdrawal of the society from the scheme ; but, if the central office is not so satisfied, the central office shall withhold its confirmation.
- (4) If the central office withholds its confirmation of a society's withdrawal from a scheme, the society shall continue to be a member of the scheme and bound and entitled under the scheme accordingly.
- (5) On confirming the withdrawal of a society from a scheme the central office shall send to the society and to the Commission notice of its decision and the central office shall record the decision in the public file of the society.