



Building Societies Act 1997

1997 CHAPTER 32

PART V

MISCELLANEOUS AND SUPPLEMENTAL

Miscellaneous

36 Registered and business names

- (1) For sub-paragraph (2) of paragraph 9 of Schedule 2 to the 1986 Act (building society not to use any name or title other than registered name) there shall be substituted the following sub-paragraphs—
- “(2) Every building society shall paint or affix, and keep painted or affixed, its registered name on the outside of every office or place in which its business is carried on, in a conspicuous position and in letters easily legible.
- (2A) Every building society shall state its registered name in legible characters in all of the following documents, namely—
- (a) its business letters;
 - (b) its account statements, including those relating to deposit, share, loan or mortgage accounts;
 - (c) its passbooks;
 - (d) its notices and publications, including all documents sent to members;
 - (e) its invoices and receipts;
 - (f) its letters of credit and any instruments creating or acknowledging its indebtedness;
 - (g) its contracts, agreements, mortgages and deeds; and
 - (h) its bills of exchange, promissory notes, endorsements, cheques and orders for money or goods.”

Status: This is the original version (as it was originally enacted).

(2) After sub-paragraph (7) of that paragraph there shall be inserted the following sub-paragraph—

“(8) For the purposes of this paragraph and paragraphs 10 to 10C below “registered name”, in relation to a building society, means the name of the society which is for the time being registered with the central office.”

(3) For paragraph 10 of Schedule 2 to the 1986 Act (offences relating to society name) there shall be substituted the following paragraph—

“10 (1) If a building society does not—

- (a) paint or affix its registered name; or
- (b) keep its registered name painted or affixed,

as required by paragraph 9(2) above, the society shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(2) A building society which, without reasonable excuse, does not comply with paragraph 9(2A) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(3) If an officer of a building society or a person on its behalf issues or authorises the issue of any document mentioned in paragraph 9(2A)(a) to (g) above, in which the society’s registered name is not stated as required by that paragraph, he shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(4) If an officer of a building society or a person on its behalf signs or authorises to be signed on behalf of the building society any document mentioned in paragraph 9(2A)(h) above in which the society’s registered name is not stated as required by that paragraph—

- (a) he shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale; and
- (b) he shall be further personally liable to the holder of the bill of exchange, promissory note, cheque or order for money or goods for the amount of it (unless it is duly paid by the building society).

(5) If a building society fails to send to the central office a notice which it is required to send to it under paragraph 9(4) above, the society shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale and so shall any officer who is also guilty of the offence.”

(4) After that paragraph there shall be inserted the following paragraphs—

“Restrictions on business names

(1) This paragraph and paragraph 10B below apply where a building society carries on business under a name other than the following, namely—

- (a) its registered name;
- (b) its registered name with the omission of the words “Building Society”; and
- (c) its registered name with an addition which merely indicates that the business is carried on in succession to a former building society with which it has merged.

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

- (2) The society shall not, without the written approval of the Commission, carry on business under a name which—
 - (a) would be likely to give the impression that the business is connected with Her Majesty’s Government or with any local authority, or
 - (b) includes any word or expression for the time being specified in regulations made under sub-paragraph (3) below.
- (3) The Commission may, with the consent of the Treasury, by regulations—
 - (a) specify words or expressions for the use of which as or as part of a business name the approval of the Commission is required by sub-paragraph (2) above, and
 - (b) in relation to any such word or expression, specify a Government department or other body for the purposes of sub-paragraph (4) below.
- (4) Where the society proposes to carry on business under a name which is or includes any such word or expression, and a government department or other body is specified under sub-paragraph (3)(b) above in relation to that word or expression, the society shall—
 - (a) request (in writing) the relevant body to indicate whether (and if so why) it has any objections to the proposal, and
 - (b) submit to the Commission a statement that such a request has been made and a copy of any response received from the relevant body.
- (5) For the purposes of this paragraph “local authority” means—
 - (a) any local authority within the meaning of the Local Government Act 1972, the Common Council of the City of London or the Council of the Isles of Scilly;
 - (b) any local authority within the meaning of the Local Government etc. (Scotland) Act 1994;
 - (c) any district council within the meaning of the Local Government Act (Northern Ireland) 1972.

Use of business names: required disclosure

- (1) Paragraph 9(2A) above shall have effect as if after the words “in legible characters” there were inserted the words “which are reasonably prominent”.
- (2) The society shall in all documents mentioned in paragraph 9(2A) above state in legible characters an address in the United Kingdom at which service of any document relating in any way to the business will be effective.
- (3) The society shall also in any premises where the business is carried on and to which the members of the society, the customers of the business or suppliers of any goods or services to the business have access, display in a prominent position so that it may easily be read by such persons a notice containing the society’s registered name and the address mentioned in sub-paragraph (2) above.
- (4) The society shall secure that the registered name and the address mentioned in sub-paragraph (2) above is immediately given, by written notice, to any person with whom anything is done or discussed in the course of the business and who asks for the registered name or the address.

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

- (5) The Commission may, with the consent of the Treasury, by regulations require a notice under sub-paragraph (3) or (4) above to be displayed or given in a specified form.

Use of business names: supplementary

- (1) A building society which contravenes paragraph 10A(2) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (2) A building society which, without reasonable excuse, does not comply with paragraph 9(2A) or 10B(2), (3) or (4) above, or any regulations made under paragraph 10B(5) above, shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (3) Where paragraph 10A above applies any legal proceedings brought by the society to enforce a right arising out of a contract made in the course of the business in respect of which the society was, at the time the contract was made, in breach of paragraph 9(2A) or 10B(2), (3) or (4) above shall be dismissed if the defendant (or, in Scotland, the defender) to the proceedings shows—
- (a) that he has a claim against the plaintiff (pursuer) arising out of that contract which he has been unable to pursue by reason of the plaintiff's (pursuer's) breach of paragraph 9(2A) or 10B(2), (3) or (4) above, or
 - (b) that he has suffered some financial loss in connection with the contract by reason of the latter's breach of paragraph 9(2A) or 10B(2), (3) or (4) above,
- unless the court before which the proceedings are brought is satisfied that it is just and equitable to let the proceedings continue.
- (4) Sub-paragraph (3) above is without prejudice to the right of any person to enforce such rights as he may have against another person in any proceedings brought by that person.
- (5) Regulations made under paragraph 10A(3) or 10B(5) above shall be made by statutory instrument subject to annulment by resolution of either House of Parliament.
- (6) Such regulations may contain such transitional provisions and savings as the Commission thinks fit, and may make different provision for different cases or classes of case.”