



Dormant Assets Act 2022

2022 CHAPTER 5

PART 1

THE DORMANT ASSETS SCHEME

Introduction

1 The dormant assets scheme: overview

- (1) The applicable provisions of this Act and the Dormant Bank and Building Society Accounts Act 2008 (in this Act referred to as “the 2008 Act”) establish the dormant assets scheme for dealing with certain dormant assets.
- (2) The applicable provisions are—
 - (a) this Part and sections 22 to 25 below (so far as relating to this Part), and
 - (b) in the 2008 Act, section 1 and sections 4 and 6 to 10 (so far as relating to section 1).
- (3) The common features of the scheme as it applies to assets of a particular description are that—
 - (a) an institution transfers to an authorised reclaim fund, with its consent, an amount owing to a person which is dormant,
 - (b) the transfer extinguishes the right the person has in relation to the amount owing, and
 - (c) that right is replaced by a right against the reclaim fund to payment of the amount specified in the applicable provision.

For the specific provisions applicable to the various assets within the scope of the scheme see section 1 of the 2008 Act and sections 2, 5, 8, 12 and 14 below.

- (4) In subsection (3)(a) “amount owing” includes an amount available to be paid as benefits under a personal pension scheme (see section 6(1)(c) and (3)).

Status: This is the original version (as it was originally enacted).

- (5) The purpose of the dormant assets scheme is to enable an authorised reclaim fund, from time to time, to release funds derived from transfers to it for distribution in accordance with Part 2 of the 2008 Act (distribution of dormant assets money for meeting expenditure with a social or environmental purpose), while ensuring that the reclaim fund is able to meet its obligations as they arise.
- (6) The assets within the scope of the scheme are—
- (a) bank and building society assets, namely rights against banks and building societies to payment of account balances (see the provisions of the 2008 Act specified in subsection (2)(b) above);
 - (b) long-term insurance assets, namely rights against insurance institutions to payment of any eligible insurance proceeds (see sections 2 to 4);
 - (c) pension assets, namely rights against pension institutions to payment of (or to elect how to receive) any eligible pension benefits (see sections 5 to 7);
 - (d) investment assets, namely rights against investment institutions to payment of any eligible amounts owing by virtue of collective scheme investments (see sections 8 to 11);
 - (e) client money assets, namely rights against investment institutions to payment of any eligible client money (see sections 12 and 13);
 - (f) securities assets, namely rights to payment of any eligible proceeds or distribution relating to shares in traded public companies (see sections 14 to 16).
- (7) The dormant assets scheme supersedes the general scheme for dormant bank and building society accounts under Part 1 of the 2008 Act, but this does not affect—
- (a) the continued operation of that general scheme in relation to amounts transferred as mentioned in section 1 of the 2008 Act before the coming into force of this section, or
 - (b) the continued operation of the provisions constituting that general scheme as part of the dormant assets scheme.
- (8) The dormant assets scheme does not apply in relation to—
- (a) transfers to an authorised reclaim fund of the agreed proportion of the balance of a dormant bank or building society account under the alternative scheme for smaller institutions (see section 2 of the 2008 Act and the other provisions of Part 1 of that Act so far as relating to section 2);
 - (b) transfers to an authorised reclaim fund of unwanted assets (see section 21 below).
- (9) It is immaterial for the purposes of any provision of this Act or Part 1 of the 2008 Act whether activities of an institution referred to in the provision are carried out directly by the institution or by another person acting on its behalf.
- (10) In this Part—
- (a) any reference to an amount owing (or payable) to a person includes a reference to an amount which is not immediately payable to the person only because it is necessary for a request for payment to be made or for the person's entitlement to payment to be verified, and
 - (b) any reference to the right to payment of an amount owing (or payable) includes, in the case of an amount described in paragraph (a), the right to request payment of the amount.