

**COMPENSATION SOURCEBOOK (BUILDING SOCIETY MERGERS)
INSTRUMENT 2008**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in the following sections of the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power);
 - (2) section 156 (General supplementary powers);
 - (3) section 213 (The compensation scheme); and
 - (4) section 214 (General).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force 27 November 2008.

Amendments to the Handbook

- D. The Compensation sourcebook (COMP) is amended in accordance with the Annex to this instrument.

Notes

- E. In the Annex to this instrument, the “note” (indicated by “**Note:**”) is included for the convenience of readers but does not form part of the legislative text.

Citation

- F. This instrument may be cited as the Compensation Sourcebook (Building Society Mergers) Instrument 2008.

By order of the Board
26 November 2008

Annex

Amendments to the Compensation sourcebook (COMP)

In this Annex, all the text is new text and is not underlined.

Building society mergers

- 10.2.10 R (1) This *rule* applies from 1 December 2008 to 30 September 2009.
- (2) In the event of a merger between two *building societies*, there is a separate and additional £50,000 maximum payment limit for a claimant with respect to *claims* for *protected deposits* held under the name of the dissolved *building society* provided the following conditions are satisfied:
- (a) the merger takes effect between 1 December 2008 and 30 September 2009;
 - (b) the successor *building society* has notified the *FSA* before the merger takes effect that it wishes this *rule* to apply;
 - (c) before the merger took effect, the claimant had a *protected deposit* with each of the relevant *building societies*; and
 - (d) the successor *building society* continues to operate the business of the dissolved *building society* under the name of the latter.
- [**Note:** The *FSA* will publish the names of any *building society* and the relevant name to which a separate £50,000 limit applies.]
- (3) A *building society* to which this *rule* applies must make and retain a written record of potential claimants for whom the separate limit applies.