



**THE BUILDING SOCIETIES SAVINGS BANKS REGULATIONS
1966**

BERNARD FERGUSSON, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 19th day of December
1966

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the Building Societies Act 1965, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Building Societies Savings Banks Regulations 1966.

(2) These regulations shall come into force on the 31st day of December 1966.

2. Interpretation—In these regulations, unless the context otherwise requires,—

“The Act” means the Building Societies Act 1965:

“Authorised society”, or “society”, means a society named in the Fourth Schedule to the Act:

“Depositor” means any person, partnership, or institution who or which is entitled to open an account under these regulations and has money on deposit in any such account:

“Individual” means a human being:

“Institution” means any incorporated or unincorporated association, body, club, committee, or society (not being a building society), which is not carried on for trade or profit:

“Person” includes an individual, and a corporation acting as an executor, administrator, trustee, attorney, agent, committee, or manager; but does not include an institution or any other body, whether corporate or unincorporate, or a partnership:

“Protected person” means a person who, or whose estate, is the subject of a protection order under the Aged and Infirm Persons Protection Act 1912:

“Savings bank business” means the lodgment and withdrawal of savings bank deposits; and includes all business incidental thereto:

“Savings bank deposit” has the same meaning as in section 57 of the Act:

“Savings bank year”, in relation to a society, means the financial year of the society, as defined in section 2 (1) of the Act.

3. Application of regulations—These regulations apply to savings bank business carried on by any authorised society in accordance with section 57 of the Act.

4. Transaction of business—(1) Savings bank business shall be transacted on such days and during such hours as the directors of the authorised society may from time to time direct.

(2) The society shall not accept any savings bank deposit at any branch office or agency unless that branch office or agency is one at which such deposits were being accepted on the 16th day of July 1965.

5. Trusts not recognised—A reference to a trust or an indication of the fiduciary character of a depositor in the name or title of any account or the production to a society of a probate, letters of administration, or any document creating or referring to a trust or of the constitution or rules of any organisation, whether incorporated or not, or of any notice relating thereto respectively, shall not be deemed to affect the society with notice of any trust, express, implied, or constructive, and the society shall be entitled to recognise the person for the time being named as the depositor as the only person entitled, whether legally or equitably, to the money in the account:

Provided that nothing in this regulation shall prevent the society from taking cognizance of any beneficial interest in money in an account where the society thinks it proper so to do.

Classes of Depositors

6. Individual's account—(1) Subject to the provisions of these regulations, an account may be opened in the name of any individual with money which is the absolute property of that individual as follows:

- (a) If the individual is of the age of seven years and upwards and not subject to any legal disability except that of infancy, by the individual in person:
- (b) If the individual is under 15 years of age, by his parent, or by some other person not subject to any legal disability, on behalf of the individual:
- (c) By an attorney or other agent authorised in that behalf:
- (d) In the case of a mentally defective individual, by the committee or administrator of his estate:
- (e) In the case of an individual who is a protected person, by the manager of his estate.

(2) Subject to section 57 (5) of the Act, an individual shall be entitled under subclause (1) of this regulation to have not more than five accounts, of which one may be a home lay-by account.

(3) Except as provided by subclause (2) of regulation 7 of these regulations, an individual who is a depositor in respect of any account under regulation 7 of these regulations or who has a beneficial interest in an account opened under regulation 8 of these regulations shall not be entitled to be a depositor in respect of an account under this regulation.

7. Joint account—(1) Subject to subclause (2) of this regulation, an account may be opened in the joint names of two or more individuals entitled to be depositors.

(2) An individual who is a depositor in respect of any account under regulation 6 of these regulations or who has a beneficial interest in an account opened under regulation 8 of these regulations shall not be entitled to be a depositor in respect of an account under this regulation:

Provided that a husband and wife may open a joint account under this regulation if not more than one of them is a depositor under regulation 6 of these regulations or has a beneficial interest in an account under regulation 8 of these regulations.

8. Simple trust account—(1) Subject to subclause (2) of this regulation, an account may be opened in the name of one or more individuals, or a partnership, as trustee or trustees for an individual (other than a trustee) whose name shall be also entered in the title of the account.

(2) Except as provided by subclause (2) of regulation 7 of these regulations, an individual who is a depositor in respect of any account under regulation 6 or regulation 7 of these regulations shall not be entitled to have an account opened on his behalf under this regulation.

9. Formal trust account—(1) An account may be opened in the name of one or more persons being—

- (a) Executors of the will of a deceased individual who have been granted probate; or
- (b) Administrators of the estate of a deceased individual who have been granted letters of administration; or
- (c) Trustees of the estate of a deceased individual; or
- (d) Trustees constituted under any instrument creating or evidencing a trust in favour of an individual; or
- (e) A solicitor, or any other agent (including a body corporate and a partnership), acting on behalf of any person in whose name an account may be opened under any of the preceding paragraphs of this subclause; or
- (f) A trustee corporation within the meaning of the Trustee Act 1956, acting as trustee for an individual in any matter.

(2) In any of the cases referred to in subclause (1) of this regulation more accounts than one may be opened, but every such account shall be distinguished by the name of a beneficiary or by other words in the title of the account in such manner as the society may require or approve.

(3) If the same person or solicitor or other agent or trustee corporation is, or acts on behalf of, an executor or administrator or trustee of more than one will, estate, or trust, a separate account may be opened for

each of those wills, estates, and trusts, to be distinguished by words in the title of the account in such manner as the society may require or approve.

(4) A person who is a depositor under this regulation shall be deemed to be a different depositor from the same person who is a depositor under regulation 6 or regulation 7 of these regulations, or who has a beneficial interest in an account under regulation 8 of these regulations, or who is a depositor in respect of a different matter under this regulation.

10. Institution's account—(1) An account may be opened in the name of an institution.

(2) Subject to section 57 (5) of the Act, an institution shall be entitled under subclause (1) of this regulation to have not more than five accounts.

11. Power to refuse deposits—Notwithstanding the provisions of these regulations, a society may, in its discretion and on any grounds it thinks fit, refuse to accept deposits or any further deposits from any person or institution.

12. No deposits from partnerships or other bodies—(1) Except as hereinbefore provided, no body of persons, whether corporate or unincorporate, shall be a depositor.

(2) Except as provided by regulations 8 and 9 of these regulations, no partnership shall be a depositor.

Deposits

13. First deposit by depositor—(1) On the making of a first deposit, and whenever thereafter he is required by the society so to do, the depositor shall specify in writing his forename, surname, and occupation, and his full postal address, and furnish a specimen of his signature and of the signature of any other person required to join in an application for withdrawal of money credited to the account.

(2) On the making of a first deposit the depositor shall, unless some other form of declaration is required by these regulations, furnish, if so required, a declaration in a form to be prescribed by the society.

(3) Where the depositor is an institution, subclauses (1) and (2) of this regulation shall, with the necessary modifications, apply with respect to that depositor.

14. First deposit by agent—(1) In the case of a first deposit made by someone other than the depositor (in this regulation referred to as the agent), the agent shall furnish the particulars prescribed in regulation 13 hereof (including a specimen signature if obtainable) in respect of both himself and the depositor, and shall furnish any declaration required by subclause (2) of regulation 13 hereof.

(2) If the deposit is made on behalf of an infant under 15 years of age, the agent shall also specify his relationship (if any) to the infant and the date on which the infant will attain the age of 15 years, and, upon attaining the age of 15 years and thereafter when required, the infant shall furnish a specimen of his signature.

15. Depositor's book—(1) When a first deposit is made, a numbered book (in these regulations referred to as the depositor's book) shall be supplied to the depositor, unless the depositor is an institution in respect of which the society has authorised the withdrawal of money in accordance with subclause (8) of regulation 28 of these regulations.

(2) Under no circumstances may a depositor enter any sum or make any entry whatever in the depositor's book issued to him.

16. Depositor's book to be property of society—(1) No charge shall be made for a depositor's book except where expressly provided by these regulations.

(2) Every depositor's book shall be the property of the society and shall be delivered up as and when required by the society.

17. Uncollected cheques, etc.—No entry in a depositor's book shall entitle the depositor to withdraw the amount of any cheque, bill of exchange, or other document that has not been collected.

18. Dishonoured cheques, etc.—If a cheque or other negotiable instrument is dishonoured, the amount thereof shall forthwith be debited to the depositor's account to which the amount was previously credited, and the society may forthwith or at any time thereafter cause to be debited in the depositor's book the amount of the dishonoured cheque or other negotiable instrument; and any such entry, whenever made, shall be as effective as if made at the time when the instrument was dishonoured.

Withdrawals

19. Notice of withdrawal may be required—Subject to the provisions of these regulations, any depositor wishing to withdraw the whole or part of the sum deposited by him may be required to give not more than seven days' previous notice to the society in a form specified by the society.

20. Production of depositor's book—(1) Subject to the provisions of these regulations and of the society's rules, every depositor upon making a withdrawal of money deposited shall, unless excused on special grounds, produce his depositor's book and shall sign an acknowledgment in the form specified by the society.

(2) The paying officer shall, unless production of the depositor's book is specially excused, enter the amount of the withdrawal therein.

(3) This regulation shall be read subject to subsection (8) of section 139 of the Act in the case of the societies to which that subsection applies.

21. Withdrawal from infant's account—An application for the withdrawal of money deposited by or in the name of an infant may be made by the infant if he is of the age of seven years or upwards.

22. Withdrawal from mentally defective individual's or protected person's account—Any application for the withdrawal of money deposited in the name of a mentally defective individual or of an individual who is a protected person shall be made by the committee, administrator, or manager of his estate.

23. Withdrawal from joint account—(1) An application to withdraw money deposited in the joint names of two or more individuals shall be made in accordance with the authority given by those individuals, or by the survivors or survivor among those individuals.

(2) The society may require proof of survivorship to its satisfaction.

(3) Where one of the depositors in a joint account has become mentally defective or is a protected person, the society may, in its discretion, pay the deposits in that account to the other depositor or depositors in the account.

24. Withdrawal from simple trust account—(1) An application to withdraw money deposited in the name or names of one or more individuals as trustee or trustees for another individual, under regulation 8 hereof, shall be made in accordance with the authority given by the trustees or by the survivors or survivor among them.

(2) The society may require proof of survivorship to its satisfaction.

25. Withdrawal from formal trust account—(1) Where an account has been opened under any of the provisions of paragraphs (a) to (d) or paragraph (f) of subclause (1) of regulation 9 hereof, and probate or letters of administration in the estate concerned, or the instrument creating or evidencing the trust, has been produced to and noted by the society, it shall not be necessary for any person whose name is entered in the title of the account otherwise than as an executor, administrator, or trustee to be joined in an application to withdraw money from the account, but the application may be made pursuant to subclause (2) of this regulation.

(2) An application to withdraw money deposited in any such account as aforesaid shall be made jointly by the executors, administrators, or trustees entitled thereto:

Provided that money deposited in the account may be paid to any one or more of their number authorised either generally or for any particular transaction by notice in writing given to the society by the remaining persons entitled to make application to withdraw the money. Any such notice shall continue in force until notice of revocation thereof is received by the society.

(3) Notwithstanding the provisions of these regulations, where an account has been opened under paragraph (e) of subclause (1) of regulation 9 hereof, an application to withdraw money from the account may be made—

(a) In the case of a partnership, by a member thereof; or

(b) In the case of a body corporate, by an officer or servant thereof duly authorised by the body corporate to make withdrawals on its behalf.

26. New trustees, etc.—(1) On the death, dissolution, or discharge of any executor, administrator, trustee, or other depositor whose name is entered in the title of any account opened under regulation 9 hereof, or on the addition or substitution of any other executor, administrator, trustee, solicitor, or agent, and on the production to the society of evidence of that fact or of the probate, vesting order, vesting declaration, or other instrument affecting the right of any depositor to withdraw money deposited in the account, together with such verification thereof or evidence of identity as the society may require, the names of the surviving, remaining, added, or substituted executors, administrators, trustees, solicitors, or agents lawfully entitled to withdraw money from the account shall be entered in the title of the account as being the depositors so entitled.

(2) Any new executors, administrators, trustees, solicitors, or agents shall, before their names are so entered, comply with regulation 13 hereof.

(3) Any money in the account may thereupon be paid to the persons named in the title of the account, as altered under this regulation, in accordance with regulation 25 hereof.

27. Disability or bankruptcy of trustee—Where a trustee named in a trust account has become a mentally defective person or a protected person, or has become bankrupt, the society may, in its discretion, and with or without the concurrence of the committee, administrator, or manager of his estate or, as the case may be, of the Official Assignee, pay the deposits to the other trustee or trustees named in the account.

28. Withdrawal by institution—(1) An application for the withdrawal of money deposited in the name of an institution (whether a body corporate or not) shall be made in accordance with this regulation.

(2) If the rules of the institution make provision to the effect that money in a bank account belonging to the institution may be withdrawn by the individual or individuals authorised to withdraw on behalf of the institution, any such application may be made by the individual or individuals so authorised.

(3) In the absence of any such rules as aforesaid, any such application may be made by any individual or individuals appointed from time to time for that purpose by a resolution of the institution or of the managing body thereof or (if the institution is a body corporate) by an instrument under its common seal.

(4) In the absence of any such rules or resolution as aforesaid, an application to withdraw money deposited in the name of the institution shall be signed by the trustee or trustees (if there are not more than two trustees) of the institution for the time being, and, if there are more than two trustees, then by a majority of the trustees for the time being, and the trustee or trustees so signing shall be deemed to be entitled to withdraw money so deposited.

(5) The society may from time to time in its discretion require proof to its satisfaction by way of certificate from the chairman of a meeting, statutory declaration, or otherwise of the regularity of any election to office or of an appointment of any individual or of any instrument of appointment or other matter.

(6) Every election or appointment of an officer or trustee of the institution appointed to withdraw money shall, for the purposes of this regulation, be deemed to continue in force until notice to the contrary is received by the society.

(7) The society may from time to time in its discretion require proof to its satisfaction of the identity of any individual claiming to be entitled to withdraw money under this regulation, including verified specimens of the signature of that individual.

(8) The society may authorise the withdrawal of money under this regulation to be made by a cheque or other order in a form approved by it for the purpose, and where a withdrawal is so made regulation 20 hereof shall have no application to any such withdrawal.

(9) Any authority under subclause (8) of this regulation shall apply only to institutions or classes of institutions from time to time approved by the society in that behalf.

29. Withdrawal by agent—(1) A depositor may appoint an agent either to receive a particular repayment of money lodged to his account or to operate upon his account generally.

(2) Every such appointment shall be made either by power of attorney duly executed as a deed or by an order in a form approved by the society.

(3) Orders signed by an infant may be accepted—

(a) If the infant, being of the age of seven years and upwards, is the depositor on his own behalf; and

(b) In any case if the infant is of the age of 15 years and upwards.

(4) Any document signed by an infant in accordance with this regulation shall be valid and binding upon him as if he had been of full age when he signed the document.

(5) An appointment under this regulation may be made by any depositor under regulation 8 or regulation 9 hereof.

(6) Upon an appointment under this regulation in favour of individuals trading under any style or firm name or in favour of a body corporate, payment may be made to any principal of the firm, or to any officer or servant of the body corporate upon proof to the satisfaction of the society that he has been duly authorised by the body corporate to make withdrawals on its behalf.

(7) An appointment under this regulation may at any time be revoked by the depositor by notice in writing under his hand, but any such revocation shall not be effective until it is received by the society.

(8) In the absence of effective written notice of revocation, the presentation of the depositor's book by the authorised agent may be accepted by the society as sufficient evidence of non-revocation of the appointment.

(9) This regulation shall not apply to any account opened in the name of an institution.

30. Acknowledgment to be good discharge—The acknowledgment of any person or institution to whom any money deposited in an account may be paid, or by whom an application to withdraw money may be made, pursuant to these regulations shall be a good discharge to the society for any sum so paid to that person or institution under the authority of these regulations and specified in the acknowledgment.

Home Lay-by Account

31. Home lay-by account—A home lay-by account may be opened in the name of any individual with money which is the absolute property of that individual, as follows:

- (a) If a depositor is of the age of seven years and upwards and not subject to any legal disability except that of infancy, by the depositor in person:
- (b) If the depositor is under 15 years of age, by his parent, or by some other person not subject to any legal disability, on behalf of the depositor:
- (c) By an attorney or other agent authorised in that behalf.

32. Provisions applying to home lay-by accounts—(1) In respect of any home lay-by account, the following provisions shall apply:

- (a) A subsidy (in this regulation referred to as a suspensory free deposit) of £5 shall be credited by the society to the account in respect of each complete £100 pounds in the account:
- (b) Where deposits made to the account in any savings bank year exceed £250, no suspensory free deposit shall be credited in that year in respect of any amount deposited in excess of that sum:
- (c) Any amount in excess of £250 deposited in the account in any savings bank year shall, for the purposes of this subclause, be carried forward, subject to paragraph (d) of this subclause, from year to year:
- (d) The amount of any deposits, including any amount carried forward as aforesaid, in respect of which a suspensory free deposit shall be credited in any savings bank year shall not exceed £250:
- (e) The total amount of suspensory free deposits credited to a home lay-by account shall not exceed £50:
- (f) If any amount is at any time withdrawn from a home lay-by account otherwise than under subclause (2) of this regulation, the amount standing to the credit of that account as suspensory free deposits shall be reduced so that not more than £5 for every complete £100 for the time being remaining in the account shall be credited as suspensory free deposits:

Provided that nothing in this paragraph shall be deemed to affect the right of any person to make a deposit in any year in which a withdrawal is made and to be credited with a suspensory free deposit in respect of that deposit:

- (g) Interest shall not be payable on suspensory free deposits, and interest ordinarily payable on the amount in any home lay-by account shall not be taken into consideration in calculating, for the purposes of making a payment of suspensory free deposits under this regulation, the amount standing to the credit of a home lay-by account.

(2) Where a depositor withdraws money standing to his credit in a home lay-by account and the society is satisfied that the money so withdrawn is to be used by the depositor for the building or the purchase of a home which is to be occupied by him, the amount of suspensory free deposits credited to the depositor and payable under this

regulation shall be paid to him. In addition there shall be paid to the depositor a sum equal to 1s. for every pound in excess of the number of complete hundreds of pounds standing to the credit (excluding any amount credited as interest) of the account. If the amount withdrawn as aforesaid is less than £100, there shall be paid to the depositor a sum equal to 1s. for each pound standing to the credit (excluding any amount credited as interest) of the account. Any payment authorised by this subclause which is additional to a suspensory free deposit shall for the purposes of this regulation be deemed part of a suspensory free deposit.

(3) No suspensory free deposit shall be paid under subclause (1) of this regulation in respect of a home lay-by account which was opened less than two years before the date of withdrawal under that subclause, nor shall any deposit made during the period of six months immediately preceding the date of any such withdrawal be taken into account when calculating the amount of suspensory free deposits payable under that subclause.

(4) Where any individual has made a withdrawal from a home lay-by account for the purpose of purchasing land on which to build a house and a suspensory free deposit is payable under this regulation in respect of money withdrawn for the purpose of building a house on that land, the amount withdrawn for the purchase of the land shall, for the purpose of calculating the total amount of the suspensory free deposits payable, be included in the amount standing to the credit of the home lay-by account.

(5) A man and a woman may each open a home lay-by account and each receive payment of suspensory free deposits in accordance with this regulation if the society is satisfied that any withdrawal by either is for the purpose of providing a home for their joint occupancy.

(6) No suspensory free deposit shall be paid to any individual in respect of more than one home.

(7) Any suspensory free deposit paid to any individual under this regulation shall not be deemed to be income of that individual.

Miscellaneous Provisions

33. Alteration in title of simple trust account—(1) Where an account is opened under regulation 8 hereof, upon the application of the trustee or trustees and of the individual on whose behalf the account was opened, or in special cases, upon the sole application of that individual, or the trustee or trustees, the society may, if it thinks it just or expedient so to do, remove the name of the trustee, or names of the trustees if there are more than one, from the title of the account, and may substitute the name or names of another or others in the place thereof, or may enter the account in the name of the individual on whose behalf the account was opened.

(2) Where the name of a new trustee or names of new trustees, if there are more than one, is or are substituted, the trustee or trustees, or the individual on whose behalf the account was opened if the account is to remain open in the name of that individual solely, shall comply with the requirements of subclause (1) of regulation 13 hereof.

(3) In any case provided for by this regulation, the acknowledgment of the trustee or trustees, or, as the case may require, the individual, named in the title of the account as altered in manner provided by this regulation shall be a good discharge to the society for any sums standing to the credit of the account.

34. General provisions as to depositors' books—(1) Every depositor shall once in each year, and whenever so required by the society, forward his book to the society, in order that the entries in the book may be compared with the entries in the records of the society and that the interest due to the depositor may be inserted in his book.

(2) Subject to the rules of the society, no depositor's book shall be held by the society on behalf of the depositor except when required by the society for the purposes of subclause (1) of this regulation.

(3) A depositor whose book is lost or destroyed shall make written application to the society for the issue of a new book and shall furnish such statement or other evidence as may be required to satisfy the society of the loss or destruction of the book and to establish his identity as the depositor.

(4) Upon receiving any such application the society, if it thinks fit, may issue a new depositor's book to the applicant and may charge therefor a fee not exceeding 2s. 6d.

(5) Pending the issue of a new depositor's book in replacement of one lost, the society may pay any sum in respect of any amount in any account of the depositor without the production of the depositor's book where the society is satisfied that the depositor or other claimant is entitled to receive that sum.

(6) If a depositor's book becomes dilapidated, the depositor may be required to make application for a new one and to pay therefor a fee not exceeding 2s. 6d.

(7) If any depositor or any former depositor, or any individual acting on his behalf, applies for a copy of the whole or any portion of the entries in the depositor's account, it shall be supplied to him, and the society may require him to pay therefor a fee not exceeding 5s.

35. Retention and destruction of records—(1) The period of time for which the documents hereinafter described shall be retained in the custody of the society shall be as follows:

	Years
Deposit-slips for deposits	6
Receipts for withdrawals	6
Filled savings bank ledgers	7

(2) Notwithstanding anything in subclause (1) of this regulation, where the society has been declared, pursuant to section 5 (5) of the Evidence Amendment Act 1952, to be an authorised person for the purposes of the Evidence Act 1908, the society, after causing a photographic film of the document to be made in accordance with the provisions of section 5 of the Evidence Amendment Act 1952, may cause any document specified in subclause (1) of this regulation to be destroyed before the expiration of the period of time specified in respect of that document by that subclause.

(3) Every such film shall be retained in the custody of the society for the remainder of the period for which the society is required by subclause (1) of this regulation to retain the document photographed.

36. Deposit made in error—Where a first or other deposit is made in error, the society may return it and cancel all proceedings taken in respect of it, or may take such other steps as may be necessary to give effect to the intention of the parties.

37. Closing of account within one month—If a depositor opens an account and closes it again within a period of one month from the date on which he opened it, he may be charged a fee of 5s.

38. Evidence of marriage of female depositor—When a female depositor marries she shall submit evidence of her marriage to the society and shall furnish a specimen of her signature.

T. J. SHERRARD,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations are made for the purposes of section 57 of the Building Societies Act 1965. Under that section, the 10 societies named in the Fourth Schedule to the Act are authorised to accept savings bank deposits, as defined in that section. The effect of the definition of savings bank deposits is that they are received on conditions similar or substantially similar to those relating to deposits with the Post Office Savings Bank, trustee savings banks, or private savings banks.

Under section 57 (5) of the Act the aggregate amount of the savings bank deposits held by any person (including accrued interest) is not to exceed £1,000, and these regulations are subject to that provision.

The provisions of these regulations are similar to the relevant provisions of the Private Savings Banks Regulations 1964 (S.R. 1964/138). They prescribe the classes of persons and institutions who may deposit money in the savings banks conducted by the authorised societies, and the conditions applicable to deposits and withdrawals.

Regulation 4 (2) repeats section 57 (4) of the Act.

Under regulation 6 (2) an individual may, subject to the total limit of £1,000, have up to five accounts, of which one may be a home lay-by account.

Under regulation 10 an institution not carried on for trade or profit may, subject to the total limit of £1,000, have up to five accounts.

Regulations 31 and 32 provide for home lay-by accounts in terms identical with those applying to such accounts with private savings banks.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 21 December 1966.

These regulations are administered in the Treasury.