

Charitable Assignment Scheme

Important information for new members

On 1st October 1999 we announced the introduction of a Charitable Assignment Scheme, which allows most of our customers to open savings accounts with as little as £1. We believe this meets the needs of our genuine savers and helps build relationships that will last over many years.

New members opening a savings account are required to sign a declaration agreeing to assign to the Charities Aid Foundation any windfall conversion benefits to which they might become entitled. This agreement will last for the first five years of membership, after which the declaration will cease to have effect.

There will be some exceptions to this requirement to avoid unfairness, which are described later. Most importantly, any customer who has continued to hold a membership account as a saver, which was opened prior to the effective date, or is a borrowing member, will not be affected by the declaration.

What do you mean by assigning benefits?

A customer whose membership begins on or after 1st October 1999 will have the same rights as any other member, including rights to vote on all issues. However, for the first five years of membership, any windfall conversion benefits to which that member might become entitled would automatically be passed to the Charities Aid Foundation.

What do you mean by windfall conversion benefit?

This is a benefit in the form of a distribution to shareholding members which may be paid in the unlikely event of any transfer of the business of Furness Building Society to a company on a conversion or takeover.

What is the Charities Aid Foundation?

The Charities Aid Foundation is a long established charity and its purpose is to ensure that giving to charities is as effective as it possibly can be.

What if I am already a member?

The declaration is included on all investment application forms. However, it is drafted in such a way that if you are already a member through having a shareholder account at the effective date - or if you are a borrowing member - the declaration does not affect you at all.

Why have you introduced a Charitable Assignment Scheme?

We're committed to remaining an independent mutual building society run for the benefit of our members. Following a period in which our normal business was disrupted by speculators who opened savings accounts in the hope of receiving windfall conversion benefits, steps were taken to ensure that the high standard of service expected by our members was not compromised.

How long will the Charitable Assignment Scheme last?

From 1st October 1999, a customer opening a new membership account will agree to assign to the Charities Aid Foundation any benefit which they might receive if conversion took place at any time in the first five years from the date the account was opened.

What are the exceptions?

A comprehensive list of all exemptions can be obtained by contacting the Society's Head Office, but in summary they are:

- All mortgage members,
- Existing investing members before 1st October 1999,
- Valid applications to open accounts on 'old style' investment application forms received but not processed before 1st October 1999.

In order that customers whose accounts are held by others on trust are not unfairly treated, the following will not be treated as new account openings:

- Transfer of an account of a deceased member to a personal representative, widow(er) or child,
- Transfer of a trustee account held for the benefit of a child when transferred into the child's sole name when they attain sufficient age,
- Change of operating signature of a child's 're' or 'care of' account into the child's sole operation.

The effect of the above is that no new five year period will begin as a result of any of these events.

Does this mean Furness Building Society is planning to convert?

No. It's our stated intention to continue being an independent, mutual building society. Our results and the value-for-money products and services we have delivered to our members show that mutuality works. These arrangements will ensure we can deliver that value to all, without the need for artificially high minimum investment levels to counter the disruptive actions of speculators.

For more information:

- Call in at your local branch
- Call us on: 0800 83 43 12
- Visit our website www.furnessbs.co.uk
- Email us at furness.direct@furness-bs.co.uk
- Write to us at Furness Building Society, Emlyn Hughes House, Abbey Road, Barrow-in-Furness, Cumbria, LA14 5PQ

For more information or details of our interest rates talk to us on 0800 781 4311 or visit furnessbs.co.uk

Furness Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Furness Building Society is on the Financial Services Register under registration number 159624. The Society is covered by the Financial Ombudsman Service and has a complaints handling procedure. A copy of the complaints handling procedure is available on request. Complaints we cannot settle may be referred to the Financial Ombudsman Service. Your call may be monitored or recorded to maintain a quality service.