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This political digest covers parliamentary issues relevant to the building society sector.

Your feedback on this edition is most welcome. Please email Rachel Le Brocq with your comments at [rachel.lebrocq@bsa.org.uk](mailto:rachel.lebrocq@bsa.org.uk) . Also email Rachel with any issues you have a particular interest in, and would like her to track.

**Update includes:**

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- Treasury publish second unclaimed assets consultation document
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### Treasury Select Committee hearing – financial inclusion follow-up

On 1 May, the Treasury Select Committee (TSC) conducted a hearing as part of its ‘Inquiry into financial inclusion follow-up’. The witnesses were Brian Pomeroy, Financial Inclusion Taskforce; Professor Elaine Kempson, University Of Bristol; John Rhodes, Citizens Advice and Claire Whyley, National Consumer Council.

Brian Pomeroy said he was concerned that the OFT campaign to raise awareness of the alternatives to Christmas savings schemes, had not yet progressed. John McFall MP (*Lab/Co-op, West Dunbartonshire*) noted that in response to the collapse of Farepak, a small number of building societies had launched Christmas savings account. Mr Pomeroy said he would like to see further developments in this market.

Professor Kempson raised her concerns over the 2nd Savings Gateway pilot, highlighting it went too far up the income scale and needed to be more closely targeted. She believes the 1st pilot should be rolled out nationwide and be kept as simple as possible, with perhaps only two or three providers.

Professor Kempson also raised concern that the OFT had so far done very little on the awareness campaign surrounding Christmas savings schemes. John McFall said the TSC would be writing to the OFT to “*inject a bit of urgency into this*”.

Professor Kempson said the Child Trust Fund (CTF) is too complicated - having so many providers and distributors, and having the choice of three products; the three types of product choice being her main concern.

The NCC said they wanted regulation of Christmas hamper schemes.

The full, uncorrected, transcript of the session can be viewed [here](#)

The TSC will be holding a second evidence session as part of this Inquiry. Details are as follows;

Wednesday 6 June at 2.30 pm  
The Park Group  
The Association of British Credit Unions (ABCUL)  
The Office of Fair Trading

### **Treasury Select Committee hearing – unclaimed assets in the financial system**

On the 15 May, the Treasury Select Committee conducted a hearing as part of its ‘Inquiry into unclaimed assets within the financial system’. The witnesses were Patrick Storey and Peter Graham, Grant Thornton UK; Susan Hitch, Piers Le Marchant, Martin Thomas and Patricia Lankaster, Balance Foundation; John Goodfellow and Gill Davidson, Skipton Building Society; Malcolm Hayday and David Clark, Charity Bank.

Representatives from Grant Thornton talked about their experiences with then Irish unclaimed assets scheme. When questioned by the Committee on whether the UK scheme should be compulsory as the Irish scheme is, Mr Storey replied “*I have some reservations about a voluntary scheme in that it does not create the level playing field that I have talked about in Ireland. There are some distinct disadvantages of having a very rigid structure such as the Irish model, but at least the institutions know where they stand. The concerns I would have is that whilst most institutions would be very noble and I am sure enter into the spirit of this there may be others that will give it lip service.*”

John Goodfellow, Skipton Building Society, talked about the membership rights that building society members have. Mr Goodfellow said “*I think the best way to understand it is that it raises the whole question of are you still a member of the mutual if the account is transferred? There is a belief at the moment, I think the popular theory is that, yes, you will retain your membership, but that will need a change to the rules of all the mutuals... As a voluntary scheme the change of rules needs to be placed before the members by the board - who can say the board will all want to do that? Secondly, the members, of course, have to approve it, and where is a mutual placed if the members say, "No, we do not agree with this voluntary scheme"? I think it could be quite difficult*” Mr Goodfellow also said he would like to see NS&I included in the scheme.

The full, uncorrected, transcript of the session can be viewed [here](#)

The BSA will be giving oral evidence to the TSC on 5 June.

### **Treasury publish second unclaimed assets consultation document**

On 17 May, Ed Balls MP (*Lab, Normanton*), Economic Secretary, published a second consultation document setting out proposals for the distribution of unclaimed assets within the UK. This second unclaimed assets consultation document - *Unclaimed Assets Distribution Mechanism: A Consultation* - follows on from the previous document published in March and provides further detail on how unclaimed assets will be reinvested in the community, with a focus, in England, on funding for youth services and financial capability and inclusion. The consultation proposes the Big Lottery Fund as the primary vehicle for

distribution, and confirms the 'opt-out' for smaller, locally-based institutions, such as building societies.

The Treasury press release can be viewed [here](#) and the consultation [here](#)

### **Home Information Packs postponement**

On 22 May, Ruth Kelly MP (*Lab, Bolton West*), Communities and Local Government Secretary, announced the postponement of the introduction of Home Information Packs (HIPs). In a statement in the House of Commons, Kelly revealed that the packs would no longer be introduced on the 1 June, but 1 August, with a phased introduction.

The changed proposals were said to be a result of the judicial review sought by the Royal Institution of Chartered Surveyors into energy performance certificates. The Government believed that it would be neither 'practical or acceptable' to introduce HIPs at the present time. From 1 August, HIPs would be needed for those houses with four bedrooms or more. When sufficient assessors become available, smaller houses would be included. The full Commons statement and debate can be viewed [here](#)

### **Savings Gateway – results of second trial**

On 25 May, Ed Balls MP (*Lab/Co-op, Normanton*), published the results of the second trial of the Savings Gateway. The Economic Secretary said the scheme had been successful in encouraging some lower income participants to save regularly and to reduce their expenditure, as well as having a positive impact on their attitudes to saving. HM Treasury are now studying the implications of the trial to inform the design of a national scheme.

The Treasury press release can be viewed [here](#) and report [here](#).

### **Building Societies (Funding) and Mutual Societies (Transfers) Bill**

Sir John Butterfill's Private Member's Bill, *Building Societies (Funding) and Mutual Societies (Transfers) Bill*, has moved to the House of Lords and will receive its second reading on 14 June.

### EARLY DAY MOTIONS – VARIOUS

(Early Day Motion (EDM) = A motion which is laid to bring attention to an issue, but not debated)

#### Existing EDMs

<b>EDM Title</b>	<b>EDM Number</b>	<b>Date Laid</b>	<b>Primary Sponsor</b>	<b>No. of MPs who have signed EDM</b>
Bank Charges	105	15/11/06	Mike Hancock MP	38
Campaign to Protect Rural England against Land Banking	494	13/12/06	Greg Mulholland MP	57
Bank Charges No.2	500	13/12/06	Jim Sheridan MP	91
Green Mortgages	556	8/1/07	Colin Challen MP	70
New Business for Post Offices	660	17/1/07	Albert Owen MP	94
Bank Profits and Charges	909	20/2/07	Mike Weir MP	42
Mortgage Arrangement Fees	915	20/2/07	Steve Webb MP	54
Excessive Bank Profits	940	21/2/07	John McDonnell MP	32
Bank Accounts	956	22/2/07	Colin Breed MP	54
First Direct Bank Charges	960	22/2/07	Alan Meale MP	49
Barclaycard Job Losses in Manchester	1063	07/03/07	John Leech MP	5
Barclaycard Job Losses in Manchester No 2	1071	07/03/07	Tony Lloyd MP	26
Windfall Tax on High Bank Profits	1116	13/03/07	Hywel Williams MP	27
Shared Equity Mortgages	1163	19/03/07	Alan Meale MP	32
Building and Buildings (S.I., 2007, No. 991)	1264	16/04/07	David Cameron MP	14
Housing (S.I., 2007, No. 992) (No. 2)	1322	23/03/07	Frank Field MP	2
Financial Services and Charges	1363	26/04/07	Diane Abbott MP	42

All EDMs can be viewed here <http://edmi.parliament.uk>

**LEGISLATIVE UPDATE**

<b>Government Bills</b>	
<a href="#"><u>Consumers, Estate Agents and Redress Bill</u></a>	<p>Introduced to the Lords - 16 November            Second Reading - 4 December            Grand Committee - 18 December, 9, 10 January            Report Stage - 30 January            Third Reading - 6 February            Introduced to the Commons - 7 February            Second Reading - 19 March            Public Bill Committee - 17, 19, 24 April</p>
<a href="#"><u>Fraud (Trials without jury) Bill</u></a>	<p>Introduced to the Commons - 16 November            Second Reading - 29 November            Public Bill Committee - 12 December            Report and Third Reading - 25 January            Introduced to the Lords - 26 January            Second Reading - 20 March</p>
<a href="#"><u>Legal Services Bill</u></a>	<p>Introduced to the Lords - 23 November            Second Reading - 6 December            Committee of the Whole House - 9, 22, 23 January 6, 21 February, 6 March            Report Stage - 16, 18 April, 8 May (provisional)            Third Reading - 15 May            Introduced to the Commons - 16 May            Second Reading - 4 June 2007 (provisional)</p>
<a href="#"><u>Mental Health Bill</u></a>	<p>Introduced to the Lords - 16 November            Second Reading - 28 November            Committee of the Whole House - 8, 10, 15, 17, 29 January            Report Stage - 19, 26, 27 February            Third Reading - 6 March            Introduced to the Commons - 7 March            Second Reading - 16 April            Public Bill Committee - 24, 26 April, 1, 8, 10, 15 May</p>
<a href="#"><u>Pensions Bill</u></a>	<p>Introduced to the Commons - 28 November            Second Reading - 16 January            Public Bill Committee - 23, 25, 30 January, 1, 6, 8 February            Remaining Stages - 18 April            Introduced to the Lords - 19 April            Second Reading - 14 May            Committee of the Whole House - 4, 6 June (provisional)</p>
<a href="#"><u>Serious Crime Bill</u></a>	<p>Introduced to the Lords - 16 January            Second Reading - 7 February</p>

	<p>Committee Stage - 7, 14, 21, 26, 27 March          Report stage - 25 April, 30 April          Third Reading - 9 May 2007          Introduced to the Commons on 10 May</p>
<b>Private Members' Bills</b>	
<p><a href="#"><u>Building Societies (Funding) and Mutual Societies (Transfers) Bill</u></a></p>	<p>Introduced to the Commons - 13 December          Second Reading - 23 March          Committee Stage - 25 April          Report Stage - 27 April          Introduced to the Lords - 30 April          Second Reading - 14 June (provisional)</p>
<p><a href="#"><u>Pensions (Unclaimed Assets)</u></a></p>	<p>Introduced to the Commons - 7 March          Second Reading - 15 June (provisional)</p>

## KEY DATES & FUTURE BUSINESS

**Treasury Select Committee hearing into unclaimed assets** – BSA to give evidence on 5 June 2007

**Tony Blair steps down as Prime Minister** – 27 June 2007

### Houses of Parliament Recess Dates

**Whitsun** - 24 May 2007 - 4 June 2007

**Summer** - 26 July 2007 - 8 October 2007