

## **Dunfermline Independent Valuer**

### **Overview of my Functions as Independent Valuer**

1. As a result of the Dunfermline Building Society Property Transfer Order 2009, certain property, rights and liabilities of Dunfermline Building Society were transferred to Nationwide Building Society with effect from 8 a.m. on 30<sup>th</sup> March 2009. [Click here to view a copy of the Transfer Order.](#)
2. The Dunfermline Building Society Compensation Scheme, Resolution Fund and Third Party Compensation Order 2009 makes provision for the third party compensation scheme. [Click here to view a copy of the Compensation Order.](#)
3. I am required by the Compensation Order to determine the compensation, if any, payable to persons whose "default event provisions" were affected by the application of section 38(6) of the Banking Act 2009 by virtue of the Transfer Order. [Click here to view a copy of the Banking Act 2009.](#)
4. I am also required to determine the compensation, if any, payable to
  - (i) pre-transfer creditors of Dunfermline Building Society whose rights were transferred to Nationwide pursuant to the Transfer Order; and
  - (ii) pre-transfer creditors of Dunfermline Building Society whose rights were not transferred to Nationwide pursuant to the Transfer Order.

In both cases, if I consider that the actual treatment of such pre-transfer creditor is less favourable than the treatment that creditor would have received had Dunfermline Building Society entered into insolvency immediately before the Transfer Order became effective (the "insolvency treatment"), I must determine the amount of compensation payable to such pre-transfer creditor. I am required to assess the compensation payable by reference to the difference between the insolvency treatment and the actual treatment of such pre-transfer creditor and on the basis of the fair and equitable value of that difference in treatment.

### **Financial Services Compensation Scheme**

5. In accordance with the Compensation Order, I am required to assess the amount that would have been likely to be recovered by the Financial Services Compensation Scheme from Dunfermline Building Society if, immediately before the Transfer Order took effect, Dunfermline Building Society was in default, had entered into insolvency and the Scheme manager had paid the amount of compensation that qualifying claimants would have been entitled to have receive.

This assessment does not affect the amount of compensation, if any, payable to any pre-transfer creditors of Dunfermline Building Society or persons whose "default event provisions" were affected by the application of section 38(6) of the Banking Act 2009.

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## **Dunfermline Resolution Account - Costs of Resolution**

6. At the same time as the Transfer Order was made, Dunfermline Building Society's social housing loans and a small number of related deposits were transferred to a bridge bank (the "Bridge Bank"). These loans and deposits were later transferred to Nationwide Building Society. I am required to consider any invoices supplied to me by the Treasury in respect of costs incurred by the Bank of England or the Treasury in relation to, or in consequence of, the transfer, incorporation, authorisation, operation, sale or winding up of the Bridge Bank and to inform the Treasury whether, in my opinion, the costs were reasonably and properly incurred for the above purposes.