

BUILDING SOCIETIES AND MUTUALS PRACTICE



OVERVIEW

Building societies and mutuals play an important role in the economy and, as member-owned institutions, provide an important and distinctive alternative for consumers.

We are recognised as having one of the leading building societies and mutuals teams in the UK. We advise more than 30 of the UK's 43 building societies as well as numerous other clients within the wider mutual sector. Our experience includes advising on a number of ground-breaking transactions and market firsts.

OUR EXPERIENCE

Our multi-disciplinary team includes specialists with sector experience across all of our key practice areas, enabling us to take a practical and commercial approach while delivering cost-effective, seamless, high quality advice.

Our experience includes working closely with regulators, participating in industry working groups and helping to shape legal and regulatory change affecting the sector.

Some significant matters we have worked on include advising:

On all of the last 23 building society mergers, including the mergers of:

- ▶ Nationwide Building Society with Portman, Derbyshire and Cheshire
- ▶ Yorkshire Building Society with Chelsea, Norwich & Peterborough and Barnsley
- ▶ Coventry Building Society with Stroud & Swindon; and
- ▶ Skipton Building Society with Scarborough, Chesham and Holmesdale.

Yorkshire Building Society on the acquisition of the £2.1 billion savings book and the £400 million mortgage book of Egg Banking plc from Citigroup implemented by FSMA Part VII banking business transfer scheme.

Skipton Building Society

- ▶ on the acquisition of the Capital One savings business by FSMA Part VII banking business transfer scheme.
- ▶ on its disposals of Homeloan Management Limited (the UK's leading third party mortgage administration business), independent financial services advisory business Torquil Clark Group and private medical insurance provider, The Private Health Partnership.

Nationwide Building Society on the launch of its lifetime mortgage product.

Britannia Building Society and **Yorkshire Building Society** on their Mutual Plus branch sharing initiative.

The Co-operative Group on its £1.57bn acquisition of Somerfield and subsequent disposals of retail businesses from within the combined Somerfield/Co-op portfolio and on the sale of its Pharmacy business to Bestway Group for £620m.

A syndicate of building societies on a joint venture to purchase and operate a shared use computer system.

Homeowners Friendly Society (trading as Engage Mutual Assurance) on its merger with Family Assurance Friendly Society to create a friendly society with approximately £6 billion of assets under management.

Various building societies on the issue of new capital instruments and capital restructurings, including amongst others, West Bromwich Building Society on its issue of PPDS, Chelsea Building Society on its issue of convertible PPDS, Newcastle Building Society on its capital restructuring involving contingent convertible PPDS and Manchester Building Society on its private placement of £18 million PPDS.

Various building societies on more than 200 mortgage and loan portfolio transactions, including acquisitions, disposals and intra-group transfers.

OUR WORK INCLUDES:

- ▶ **Corporate, M&A and strategic transactions** We advise on the full range of corporate, defence and strategic matters for building societies and mutuals, including mergers and acquisitions and corporate finance related matters. We have advised on all of the last 23 building society mergers and our team's experience includes advising on acquisitions under the Banking Act 2009 and mergers with subsidiaries of other mutual societies. We advise on the full spectrum of public and private corporate M&A transactions, acquisitions by banking business transfer schemes, restructurings, loan portfolio transactions and joint ventures.
- ▶ **Constitutional and corporate governance advice** We are experienced in advising building societies and mutuals and their boards of directors on corporate governance issues and constitutional matters, including directors' duties, membership issues and AGM documentation and procedures. We also advise on the regulatory aspects of corporate governance (including senior management responsibility and accountability), corporate governance best practice and market trends.
- ▶ **Regulatory advice and investigations** We advise on all legislation and regulations affecting building societies and other financial services businesses, including corporate, building society, co-operative and friendly society law, senior manager and certification regime governance and compliance, customer and conduct risk management, conduct of business, consumer credit and mortgage regulation, compliance, remediation, financial promotions, unfair contract terms, regulatory capital, supervisory and prudential matters, amongst other areas. Our team advises on both non-contentious and contentious matters (including high profile regulatory investigations, market abuse advice, requests for attestations, responding to regulatory challenges and legal and regulatory change).
- ▶ **Product design, innovation and distribution** Our team can support comprehensively the end-to-end product lifecycle, from product design, financial promotions, drafting account terms and conditions and shaping the customer acquisition journey (including online experience), to account servicing, termination, default and collection. Our experience covers the full range of products, including savings and deposits, mortgages, current accounts, unsecured lending, credit cards, protection and investments, pensions and insurance.
- ▶ **Mobile and digital banking and fintech** We have extensive experience of advising on transactions involving fintechs (including M&A, fintech venturing investment and commercial and strategic relationships). Our market-leading payments team also have an in-depth understanding of the legal, corporate, commercial and regulatory framework and risks underlying the payments, cards and mobile industries and can advise societies on the structuring and implementation of their digital and payments strategy. Our team have worked on some of the most significant card payments and loyalty transactions in recent years.
- ▶ **Reputation and brand protection** Media enquiries, social media, regulatory or police investigations, sensitive litigation, operational issues, aggrieved customers, disaffected employees and activist members can all put at risk the reputation of a business, its brands and its directors. We are recognised as having one of the leading reputation protection teams in the UK. Whatever the source of the reputational threat, we can provide strategic board level advice and assist with media crisis management and proactive reputational risk mitigation.
- ▶ **Litigation and disputes** We have a full service and experienced litigation practice and advise on litigation, disputes and investigations of all types, sizes and levels of complexity. Our experience includes advising on high profile and complex banking and financial services disputes and mis-selling cases, commercial and property litigation, regulatory and parliamentary investigations and professional negligence claims. We also advise on proactive risk management programmes and best practice.
- ▶ **Special investigations and financial and corporate crime** Our specialist team are recognised as experts in the field of financial and corporate crime (having acted on many of the largest legal cases of recent times) and regularly advises on allegations of bribery, misappropriation of funds, conspiracies to defraud as well as related regulatory issues, anti-money laundering, anti-bribery and corruption, criminal sanctions, financial penalties and mitigating reputational harm.
- ▶ **IT and commercial contracts** We have significant experience advising on IT, commercial and outsourcing arrangements (both complex and bespoke), in particular within the financial sector.
- ▶ **Data and cyber security** Our data team advises on all aspects of data and information security and compliance, including designing practical, innovative and strategic solutions to ensure the protection of customer data while taking account of commercial drivers.
- ▶ **Lending** We advise on all aspects of finance and loan documentation, negotiation and enforcement, including real estate and social housing finance, restructuring, recovery work and debt portfolio acquisitions and disposals (retail and commercial).

- ▶ **Treasury** Our work includes advising on the issue of new capital instruments, subordinated debt issues, regulatory capital, PIBS buy backs, collateral management agreements, ISDA and CSAs, netting opinions and legal aspects of treasury and finance requirements, such as acting on bilateral and syndicated loan agreements.
- ▶ **Charitable assignment** We are the largest firm in the UK with a full-service private capital and charity law practice. Our team's experience includes advising on building society charitable assignment schemes and issues relating to charitable foundations.
- ▶ **Competition** We advise on all aspects of antitrust law, including merger control advice, providing dawn raid rapid response support and implementing compliance programmes designed to minimise antitrust risk. Members of our team have extensive experience in the financial services and payments sectors and have advised on high profile market investigations and a number of leading cases.
- ▶ **HR** Our employment team is recognised as one of the leading practices in the UK. We act for building societies and other mutuals on a full range of employment and remuneration issues, including executive and senior manager recruitment and termination, non-executive appointment terms, remuneration policies, incentives plans, pensions and employee benefits arrangements, employment litigation and claims, industrial relations and general HR advisory work. Our experience also extends to advising on diversity, equality, and vulnerable customer policies and considerations (including in the context of product and service delivery).
- ▶ **Property** Our real estate team advises on all types of property related-matters including acquisitions and disposals (including large and complex transactions across all sectors of the property industry), lettings, lease renewals, licences and title rectification, construction, health and safety, environmental and planning.
- ▶ **Tax** Our tax practice advises building societies, mutuals and other clients both on stand-alone tax matters and in the context of wider commercial transactions (including complex financial services transactions and arrangements).

Addleshaw Goddard LLP is best-known for its 'superb knowledge' of the retail market where its 'very strong team' provides 'thoughtful and succinct advice' across the myriad issues facing clients in that space including as it relates to mortgages, consumer credit and payments.'

LEGAL 500 – Financial Services

Band 1 for Consumer Finance

CHAMBERS UK

Ben Koehne is "singled out for [his] particular experience advising building societies and mutuals" and is "'well-equipped to untangle the most complex regulatory issues' - particularly as they pertain to strategic and regulatory driven transactions within the building society and mutuals sectors"

LEGAL 500 – Corporate Governance and Financial Services

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We are a premium business law firm offering an exceptional breadth of services. Our approach combines a deep understanding of our clients' businesses, markets and sectors with high calibre expertise, straight talking advice and a collaborative team culture. By delivering what clients want wherever they need it, from high value strategic advice, to the everyday, we pride ourselves on a service which is high quality, focused, relevant and consistently excellent.

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