

2007 No. 1167

CONSUMER CREDIT

**The Consumer Credit (Information Requirements and Duration
of Licences and Charges) Regulations 2007**

Made - - - - - *31st March 2007*

Laid before Parliament *4th April 2007*

Coming into force in accordance with regulation 1(2) and (3)

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 22(1B) and (1E), 28A(3)(b) and (6), 77A(2), 78(4A), 86B(8), 86C(6), 86E(2) and (7)(b), 88(1) and (4), 130A(6), 182(2) and 189(1) of the Consumer Credit Act 1974(a).

Citation and commencement

1.—(1) These Regulations may be cited as the Consumer Credit (Information Requirements and Duration of Licences and Charges) Regulations 2007.

(2) This regulation and regulations 2 and 42 to 44 shall come into force on 6th April 2008.

(3) The remaining regulations shall come into force on 1st October 2008.

Interpretation

2. In these Regulations—

“the 1974 Act” means the Consumer Credit Act 1974;

“agreement to aggregate” means an agreement (whether arising by conduct or otherwise) made between the creditor and the debtor—

- (a) concerning two or more agreements for fixed-sum credit between the creditor and the debtor where at least one such agreement is a regulated credit agreement; and
- (b) which permits or requires the debtor to aggregate all individual payments under the agreements mentioned in paragraph (a) and pay them at the same time; and

“home credit loan agreement” means a debtor-creditor agreement which satisfies either or both of the following conditions—

- (a) the agreement provides that all or most of the sums payable by the debtor are to be collected by or on behalf of the creditor at the debtor’s home or at the home of a natural person who makes payments to the creditor on the debtor’s behalf (or, in either case, to be so collected if the debtor so wishes);
- (b) at the time the agreement is entered into, the debtor could reasonably expect, from representations made by or on behalf of the creditor at or before that time, that all or most

(a) 1974 c. 39. Sections 22(1B) and (1E), 28A(3)(b) and (6), 77A(2), 78(4A), 86B(8), 86C(6), 86E(2) and (7)(b) and 130A(6) were added by sections 34, 35, 6, 7, 9, 10, 12 and 17 respectively of the Consumer Credit Act 2006 c.14. Section 189(1) has been cited for the definitions of “prescribed” and “regulations”.

of the sums payable would be collected as specified in paragraph (a) (or, in either case would be so collected if the debtor so wished).

Content of statements provided in relation to fixed-sum credit agreements

3. Regulations 4 to 11 shall apply to a statement given under section 77A of the 1974 Act (statements to be provided in relation to fixed-sum credit agreements).

4. Subject to regulations 5 to 9, the statement shall contain—

- (a) the information set out in Part 1 of Schedule 1;
- (b) each of the forms of wording set out in Part 2 of Schedule 1;
- (c) subject to paragraph (d),
 - (i) where the statement relates to a hire-purchase or conditional sale agreement, the first form of wording in paragraph 5 of Schedule 1; and
 - (ii) where the statement relates to a hire-purchase or conditional sale agreement and the debtor purchased a contract of insurance as referred to in regulation 2(8) of the Consumer Credit (Agreement) Regulations 1983^(a) (information requirements in relation to credit and insurance finance agreements), each form of wording set out in paragraph 5 of Schedule 1;
- (d) where the statement referred to in paragraph (c) is required to be given after the final payment under the agreement has fallen due, the statement need not include either of the forms of wording set out in paragraph 5 of Schedule 1.

5. The creditor shall indicate in the statement which of the two pieces of information referred to in each of paragraphs 3(d) and 3(e) of Schedule 1 it has included in the statement.

6. Where the rate or rates of interest provided for under the agreement are not applicable on a per annum basis, paragraph 3(h) of Schedule 1 shall not require amounts of interest which become due during the period to which the statement relates to be set out separately in the statement.

7. Subject to regulations 8 and 9, where the creditor and the debtor have entered into an agreement to aggregate—

- (a) the reference to payments made in paragraph 3(g) of Schedule 1 may be construed as a reference to the aggregated payments which the debtor is permitted or required to make;
- (b) the reference to interest and charges which became due in paragraph 3(h) of Schedule 1 may be construed as the aggregated interest and charges which became due;
- (c) the reference to movements in paragraph 3(i) of Schedule 1 may be construed as a reference to the aggregated movements in all the accounts maintained by the creditor in relation to the agreements to which the agreement to aggregate relates;
- (d) where any of the forms of wording set out in Parts 2 and 3 of Schedule 1 do not apply to all the agreements to which the agreement to aggregate relates the creditor shall identify for each form of wording which does not so apply the regulated agreement or agreements to which it relates;
- (e) the information required under paragraphs 1, 2, 3(c), 3(d) and 3(e) of Schedule 1 need only be shown once where the information which would otherwise have to be included for the agreements to which the agreement to aggregate relates is the same for each agreement.

8. Subject to regulation 9, where not all the sums permitted to be shown in the statement as an aggregated figure under regulation 7 are so shown the creditor shall indicate where each figure for payment made or interest or charges which became due or the movement which occurred is an aggregated figure.

(a) S.I. 1983/1553, as amended by S.I. 2004/1482. Other amendments are not relevant to these Regulations.

9.—(1) Paragraphs (2) to (4) shall apply where the agreement to aggregate concerns agreements to which regulation 2(8) of the Consumer Credit (Agreements) Regulations 1983 applies.

(2) Where the statement is not the first statement given under section 77A of the 1974 Act in relation to the agreements to which the agreement to aggregate relates, the references to the amount of credit and to an opening balance in paragraphs 3(b) and 3(f) of Schedule 1 may be construed as references to the aggregated amount of credit provided, and where applicable, to be provided and the aggregated opening balance under those agreements.

(3) The reference in sub-paragraph 3(j) of Schedule 1 to the balance under the agreement at the end of the period to which the statement relates may be construed as a reference to the aggregated balance under the agreements to which the agreement to aggregate relates at the end of that period.

(4) The creditor shall not be required to comply with regulation 8.

10. Where the creditor and the debtor have entered into an arrangement under which interest or charges payable under a fixed-sum credit agreement are applied to an account which is separate from the account to which payments referred to in paragraph 3(g) of Schedule 1 are applied, the statement shall include a form of wording referring to that arrangement.

11.—(1) Where the statement is the first given under section 77A of the 1974 Act in relation to an agreement made on or after 1 October 2008 it shall relate to a period beginning with the date of the making of the agreement and ending on a date not more than 30 days before the date the statement is given.

(2) Any subsequent statement in relation to that agreement shall relate to a period beginning on the day immediately after the end of the period to which the preceding statement relates and ending on a date not more than 30 days before the date the subsequent statement is given.

Additional information in statements provided in relation to certain fixed-sum credit agreements

12.—(1) A statement given under section 77A of the 1974 Act in relation to a home credit loan agreement shall include—

- (a) the total charge for credit provided under the agreement; and
- (b) a statement in the following form:

“You are entitled to request one free statement per quarter or one per loan (whichever allows for more requests). We are required to provide you with a statement free of charge within seven days of receiving your request.”

(2) Such a statement, if given during a period when any relevant website is being maintained, shall also contain the statement - “You can compare our loans with other home credit loans available in your area by accessing the website”, followed by the location of the website in question.

(3) For the purposes of paragraph (2), a relevant website is one which has been created by or on behalf of the Competition Commission in pursuance of its home credit market investigation report of 30th November 2006.

Additional information in statements provided in relation to running-account credit agreements

13. Regulations 14 to 18 shall apply to a statement given under section 78(4) of the 1974 Act (duty to give information to debtor under running-account credit agreement).

14. Subject to regulations 15 to 18, the statement shall contain the forms of wording set out in paragraphs 1 and 4 of Schedule 2, and in paragraph 2 of that Schedule if applicable, and the information set out in paragraph 3 of that Schedule.

15. The forms of wording set out in paragraphs 1 and 2 of Schedule 2 shall only be required to be included in a statement given in relation to an agreement which requires payment each month of a minimum sum.

16. Where the creditor has at any time during the period to which the statement relates required the debtor to repay sums which are due under the agreement, the information and forms of wording set out in paragraphs 3 and 4 of Schedule 2 shall only be included in a statement given in relation to an agreement which does not require payment each month of a minimum sum.

17. For the purposes of regulations 15 and 16, “minimum sum” means a sum which is less than the total sum due under the agreement at the time the duty to give the notice arises.

18.—(1) Subject to paragraph (2), the form of wording in paragraph 2 of Schedule 2 need not be included in a statement where the total amount which the debtor has failed to pay in relation to all the payments due under the running-account credit agreement during the period to which the statement relates does not exceed £1.

(2) Paragraph (1) shall not apply where, at the date on which the duty to give the statement arose, a default sum or other charge has become payable as a result of the debtors failure to pay sums not exceeding £1 as set out in paragraph (1).

Content of notices of sums in arrears under fixed-sum credit agreements etc.

19.—(1) Subject to regulations 20 to 23, a notice given under section 86B of the 1974 Act (notice of sums in arrears under fixed-sum credit agreements etc.) shall contain—

- (a) a form of wording to the effect that the notice is given in compliance with the 1974 Act because the debtor or hirer is behind with his payments under the agreement;
- (b) a form of wording encouraging the debtor or the hirer to discuss the state of his account with the creditor or owner;
- (c) the information required by paragraphs 1 to 3 of Schedule 3;
- (d) statements in the form specified in paragraphs 4 and 5 of Schedule 3 as applicable; and
- (e) a statement in the form specified in Part 5 of Schedule 3.

(2) In addition, where the notice is required to be given under section 86B(2)(a) of the 1974 Act—

- (a) it shall include the information set out in Part 2 of Schedule 3;
- (b) the creditor or owner shall within fifteen working days of receiving the debtor’s or hirer’s request for further information about the shortfall which gave rise to the duty to give the notice, give the debtor or hirer in relation to each of the sums which comprise the shortfall, notice of—
 - (i) the amount of the sums due which comprise the shortfall;
 - (ii) the date on which the sums became due; and
 - (iii) the amounts the debtor or hirer paid in respect of the sums due and the dates of those payments;
- (c) it shall, except where it contains all the information specified in regulation 19(1), include a statement in the following form:

“If you want more information about which payments you failed to make please get in touch with us. We are required to give you this information within fifteen working days of receiving your request for it.”;

- (d) where the creditor or owner and the debtor or hirer have entered into an agreement to aggregate, the references to sums due and the reference to amounts paid in sub-paragraph (b) may be construed as a reference to the aggregated sums due to the creditor or owner and the aggregated amounts paid by the debtor or hirer in accordance with the terms of that agreement.

(3) Where the notice is required to be given under section 86B(2)(b) of the 1974 Act it shall also include the information set out in Part 3 of Schedule 3 and the statement in paragraph 4(1) of that Schedule shall be amended as specified in paragraph 13 of that Schedule.

(4) Where the notice includes a form of wording to the effect that it is not a demand for immediate payment, the creditor or owner shall include wording explaining why it is not such a demand.

(5) Subject to regulation 20(3)(c), the reference to the account in paragraphs 8 and 10 of Schedule 3 shall be construed as a reference to all accounts maintained by the creditor or owner which relate to the agreement with the debtor or hirer.

20.—(1) Where the creditor and the debtor have entered into an agreement to aggregate and an arrears notice is required to be given in relation to two or more of the agreements to which the agreement to aggregate relates—

- (a) the information required under paragraphs 1 and 2 of Schedule 3 need only be shown once where the information which would otherwise have to be included for the agreements to which the agreement to aggregate relates is the same for each agreement;
- (b) where any of the forms of wording set out in paragraphs 4, 5 and 13 of that Schedule do not apply to all the agreements to which the agreement to aggregate relates the creditor shall identify for each such form of wording which does not so apply the regulated agreement or agreements to which it relates.

(2) Where the creditor and the debtor have entered into an agreement to aggregate and the notice is required to be given under section 86B(2)(a) of the 1974 Act, the reference to the amount which comprises the shortfall in Part 2 of Schedule 3 may be construed as a reference to the aggregated shortfall due under the agreements to which the agreement to aggregate relates.

(3) Subject to regulation 22, where the creditor and the debtor have entered into an agreement to aggregate and the notice is required to be given under section 86B(2)(b) of the 1974 Act—

- (a) the reference to payments made in paragraph 8 of Schedule 3 may be construed as a reference to the aggregated payments which the debtor is permitted or required to make;
- (b) the reference to interest or other charges in paragraph 9 of that Schedule may be construed as a reference to the aggregated interest or other charges which became due during the period to which the notice relates; and
- (c) the reference to movements in paragraph 10 of that Schedule may be construed as a reference to the aggregated movements in all the accounts maintained by the creditor in relation to the agreements to which the agreement to aggregate relates.

21. Subject to regulation 22(c), where not all the sums permitted to be shown in the notice as an aggregated figure under regulation 20(3) are so shown, the creditor shall indicate where each figure for payment made or interest or charges which became due or the movement in the account which occurred is an aggregated figure.

22. Where the agreement to aggregate concerns agreements to which regulation 2(8) of the Consumer Credit (Agreements) Regulations 1983 applies and the notice is required to be given under section 86B(2)(b) of the 1974 Act—

- (a) the references to—
 - (i) the opening balance in paragraph 3(b) of Schedule 3; and
 - (ii) the opening balance in paragraph 7 of that Schedule,may be construed as references to, respectively, the aggregated opening balance and the aggregated opening balance of those sums to which paragraph 7 refers, under the agreements to which the agreement to aggregate relates;
- (b) the reference to the balance under the agreement at the end of the period to which the notice relates may be construed as a reference to the aggregated balance under the agreements to which the agreement to aggregate relates at the end of that period; and
- (c) the creditor shall not be required to comply with regulation 21.

23. Where all the sums payable under two or more agreements made between the creditor and the debtor at least one of which is a regulated fixed-sum credit agreement have become due and the creditor aggregates the sums due under those agreements for the purpose of recovering those sums—

- (a) the reference to the opening balance in paragraph 3(b) of Schedule 3 may be construed as a reference to the aggregated opening balance under those agreements;
- (b) the reference to opening balance in paragraph 7 of that Schedule may be construed as a reference to a sum equal to the aggregated parts of the opening balance under those agreements which the debtor has failed to pay in full when they became due;
- (c) the reference to payments made in paragraph 8 of that Schedule may be construed as a reference to the aggregated payments which the debtor is permitted or required to make;
- (d) the reference to interest and other charges becoming due to the creditor in paragraph 9 of that Schedule may be construed as a reference to the aggregated interest and other charges becoming due;
- (e) the reference to movements in paragraph 10 of that Schedule may be construed as a reference to the aggregated movements in all the accounts maintained by the creditor in relation to those agreements;
- (f) the reference to the balance in paragraph 11 of that Schedule may be construed as a reference to the aggregated balance under those agreements;
- (g) the reference to the balance in paragraph 12 of that Schedule may be construed as a reference to a sum equal to the aggregated balance under those agreements which the debtor has failed to pay in full when it became due and which remains unpaid at the end of the period to which the notice relates;
- (h) the information required under paragraphs 1 and 2 of Schedule 3 need only to be shown once where the information which would otherwise have to be included for those agreements is the same for each agreement; and
- (i) where any of the forms of wording set out in paragraphs 4, 5 and 13 of that Schedule do not apply to all those agreements the creditor shall identify for each form of wording which does not so apply the regulated agreement or agreements to which it relates.

Content of notices of sums in arrears under running-account credit agreements

24.—(1) Subject to regulations 25 and 26, a notice given under section 86C of the 1974 Act (notice of sums in arrears under running-account credit agreements) (“the regulation 24 notice”) shall contain—

- (a) a form of wording to the effect that it is given in compliance with the 1974 Act because the debtor is behind with his payments under the agreement;
- (b) a form of wording encouraging the debtor to discuss the state of his account with the creditor;
- (c) the information required by paragraphs 14 to 17 of Schedule 3;
- (d) a statement in the form set out in paragraph 18 of Schedule 3 and the appropriate statement specified in paragraph 19 of that Schedule; and
- (e) a statement in the form specified in Part 5 of Schedule 3.

(2) Where a regulation 24 notice includes wording to the effect that it is not a demand for immediate payment the creditor shall include wording explaining why it is not such a demand.

25. Where a regulation 24 notice is incorporated into another notice or statement which the creditor gives the debtor in relation to the agreement by virtue of another provision of the 1974 Act (“the other notice”), the regulation 24 notice need not contain so much of the information required under paragraphs 14 to 17 of Schedule 3 as is required to be included in the other notice by or under the provision of the 1974 Act under which the other notice is given.

26.—(1) Subject to paragraphs (2) and (3), where the total amount which the debtor has failed to pay in relation to the last two payments due under the agreement prior to the date on which the creditor came under a duty to give the debtor a regulation 24 notice is not more than £2, the notice—

- (a) need not include any of the information or statements referred to in regulation 24;
- (b) but in that event shall contain a statement in the following form—

“You have failed to make two minimum payments

Failing to make minimum payments can mean that you have broken the terms of this credit agreement. This could result in your having to pay additional costs. A copy of the Office of Fair Trading Arrears information sheet is enclosed, which contains more information about what to do when you get behind with your payments.”.

(2) Paragraph (1) shall not apply where at the date on which the duty to give notice arose a default sum or other charge has become payable as a result of the debtor’s failure to pay sums as set out in paragraph (1).

(3) Where a regulation 24 notice is incorporated into a statement which the creditor is required to give the debtor under section 78(4) of the 1974 Act, the statement shall not contain the wording specified in paragraph 2 of Schedule 2.

Giving of notices of default sums

27. Regulations 28 to 32 shall apply to a notice of default sums given under section 86E of the 1974 Act (notice of default sums) (“the regulation 27 notice”).

28. A regulation 27 notice shall be given to the debtor or hirer by the creditor or owner within 35 days of a default sum becoming payable by the debtor or hirer.

Content of notices of default sums

29. A regulation 27 notice shall contain a form of wording to the effect that it relates to default sums and is given in compliance with the 1974 Act.

30. A regulation 27 notice shall contain the information and the form of wording set out in Part 1 of Schedule 4.

31. If a regulation 27 notice is given in relation to an agreement which provides that interest is payable in connection with default sums it shall contain the appropriate form of wording set out in Part 2 of Schedule 4.

32. Where a regulation 27 notice is incorporated into another notice or statement which the creditor gives the debtor in relation to the agreement by virtue of another provision of the 1974 Act (“the other notice”), the regulation 27 notice need not contain such of the information required under paragraphs 1 to 3 of Schedule 4 as is required to be included in the other notice by the provision of the 1974 Act under which the other notice is given.

Amendments to the Consumer Credit (Enforcement, Default and Termination Notices) Regulations 1983

33.—(1) The Consumer Credit (Enforcement, Default and Termination Notices) Regulations 1983(a) shall be amended as follows.

- (2) In regulation 2(2), in sub-paragraph (c) after “7” insert “, 8A”.
- (3) In Schedule 2—
 - (a) after paragraph 8 insert—

(a) S.I. 1983/1561, as amended by SI 2004/3237. Other amendments are not relevant to these Regulations.

“Ending the agreement

8A. Where the agreement is a hire-purchase or conditional sale agreement, a statement in the following form—

“You [may] [NOTE 1] have the right to end this agreement at any time before the final payment falls due.

Note that this right may be lost if you do not act before the date shown (after which we may take action).

If the date for final payment has not passed and you wish to end this agreement, you should write to the person to whom you make your payments. [You will need to pay [NOTE 2] if you wish to end this agreement by the date shown and we will be entitled to the return of the goods. You will also be liable for costs if you have not taken reasonable care of the goods.] [NOTE 3].

Note that if you end this agreement, this will not necessarily terminate any insurance finance agreements that are linked to this agreement.

NOTE 1: creditor to omit the word “may” in the case of a hire purchase agreement.

NOTE 2: creditor to insert the amount to be paid by the debtor calculated in accordance with the provisions of sections 99(2) and 100 of the Act and on the assumption that the debtor terminates the agreement on the date shown in this notice.

NOTE 3: creditor to insert the passage in square brackets where the debtor’s right to terminate under section 99 of the Act subsists.””;

(b) after paragraph 9 insert—

“Interest payable after a judgment

9A. Where an agreement makes provision for the charging of post-judgment interest in connection with a judgment sum, a statement in the following form—

“You should be aware that if we take you to court and get a judgment against you requiring you to pay us the money you owe us under the agreement, you may have to pay us both the amount of the judgment and interest under the agreement on all the sums owed by you at the date of the judgment until you have paid these in full. This means that even if you pay off the whole amount of the judgment, you may still have a further sum to pay.””;

(c) after paragraph 10 insert—

“**10A.** A statement in the following form—

“This notice should include a copy of the current Office of Fair Trading information sheet on default. This contains important information about your rights and where to go for support and advice. If it is not included, you should contact us to get one.””.

Content of notices of intention to recover post-judgment interest

34. Subject to regulation 35, a notice given under section 130A(1) of the 1974 Act (notice of intention to recover post-judgment interest in connection with a judgment sum) shall contain:

- (a) if the notice is the first required notice—
 - (i) the information listed and forms of wording set out in Part 1 of Schedule 5; and
 - (ii) the form of wording set out in Part 3 of Schedule 5;
- (b) if the notice is not the first required notice, the information and forms of wording set out in Part 1 of and the information set out in Part 2 of Schedule 5.

35. The creditor may, instead of including in the notice the form of wording set out in paragraph 6 of Schedule 5, include the wording which concerns advice and information available to consumers which is contained in the default information sheet referred to in section 86A of the 1974 Act and which is in effect in accordance with subsection (5) of that section at the time the duty to give the notice arose.

Form of notices and statements required under these Regulations

36. The wording required by regulations 10, 19(1)(a) and (b) and (4), 24(1)(a) and (b) and (2), 29 and 48(c) to be included in a notice or statement to be given under the 1974 Act shall be expressed in plain, intelligible language.

37.—(1) Subject to paragraph (2), the first form of wording set out in paragraph 4 of Schedule 1 and the first form of wording set out in paragraph 5 of that Schedule shall appear together as a whole and shall not be interspersed with any other information or wording.

(2) The first form of wording set out in paragraph 4 of Schedule 1 and the first form of wording set out in paragraph 5 of that Schedule may be interspersed with the second form of wording set out in paragraph 5 of that Schedule.

38.—(1) The first form of wording set out in paragraph 4 of Schedule 2 and the closing balance shall be shown together as a whole and not interspersed with any other information or wording.

(2) For the purposes of this regulation—

- (a) closing balance means, in relation to a statement required to be given under section 77A of the 1974 Act, the information required to be included in the statement under paragraph 3(j) of Schedule 1; and
- (b) closing balance means, in relation to a statement required to be given under section 78(4) of the 1974 Act, the balance at the end of the period to which the statement relates which is required to be included in the statement under paragraph 1 of the Schedule to the Consumer Credit (Running-Account) Credit Information Regulations 1983(a).

39. The lettering of the information and wording required by these Regulations to be included in a statement or notice and any figures and symbols forming part of that information or wording shall be easily legible and of a colour which is readily distinguishable from the background medium upon which it is or they are displayed.

40.—(1) Subject to paragraph (2), the information and wording required by these Regulations to be included in a statement or notice to be given under the 1974 Act shall be no less prominent than any other information and wording included in the document in which that notice or statement is embodied.

(2) But—

- (a) the date of the notice or statement, trade names and names of parties to the agreement, logos, headings or the reference number of the agreement may be more prominent; and
- (b) the form of wording set out in paragraph 2 of Schedule 2 shall be more prominent,

than any such other information and wording, whether prominence is achieved by capital letters, underlining, larger or bold print or otherwise.

Errors and omissions

41. Where a notice or statement contains an error or omission which does not affect the substance of the information or forms of wording which it is required by these Regulations to contain, that notice or statement shall not breach these Regulations on this ground alone.

(a) S.I. 1983/1570.

Duration of licences and charges

42. For the purposes of sections 22(1B) and (1E) of the 1974 Act, the prescribed period shall be a period of five years.

43.—(1) For the purposes of section 28A(3)(b) of the 1974 Act, the day shall be the date three months before the end of the person's payment period.

(2) The payment period for the purposes of section 28A of the Act shall be five years beginning—

- (a) in the case of a person's first payment period, on the day that his standard licence or, where a person is the original applicant for a group licence, that group licence takes effect; and
- (b) in the case of all subsequent payment periods, on the day after the day on which the immediately preceding payment period expires.

Revocation of superseded provisions

44. The Consumer Credit (Period of Standard Licence) Regulations 1975(a) are revoked.

Transitional provisions

45. Regulations 46 to 50 shall apply where a statement is given under section 77A of the 1974 Act in relation to a fixed-sum credit agreement made before 1 October 2008.

46. A statement to which this regulation applies need not include the information under paragraphs 3(b), 3(c)(ii), 3(d) and 3(e) of Schedule 1.

47.—(1) Where the conditions set out in paragraph (2) are met and the statement includes the information under paragraph 3(b) of Schedule 1, regulation 9(2) shall apply to that statement as if the words "Where the statement is not the first statement given under section 77A of the 1974 Act in relation to the agreements to which the agreement to aggregate relates" were omitted.

(2) Those conditions are—

- (a) a statement to which this regulation applies is the first given on or after 1 October 2008;
- (b) the creditor and the debtor have entered into an agreement to aggregate;
- (c) the agreement to aggregate was entered into prior to 1 October 2008; and
- (d) regulation 9 applies to that agreement to aggregate.

48. Where a statement to which this regulation applies does not include some or all of the information referred to in regulation 46—

- (a) the creditor shall give the debtor in writing such of the information referred to in regulation 46 as was omitted from the statement within fifteen working days of receipt of the debtor's request for that information;
- (b) the statement shall contain the following wording:

"More information

This statement does not contain all the information which you are entitled to receive from us about your agreement. If you would like to receive this extra information please get in touch with us to obtain it. We are required to provide you with this information within fifteen working days of receiving your request for it.";

- (c) the creditor shall include a form of words that identifies which pieces of the information referred to in regulation 46 it has not included in the statement;

(a) S.I. 1975/2124, as amended by S.I. 1979/796, 1986/1061 and 1991/817.

- (d) where the debtor requests some but not all of the information which the creditor has omitted from the statement in accordance with regulation 46 (whether or not the information requested amounts to all the information which the creditor has so omitted) paragraph (a) shall only require the creditor to give the debtor the information requested; and
- (e) where it is not clear from the debtor's request which pieces of the information so omitted the debtor has requested, the creditor shall give the debtor all the information so omitted.

49. Regulations 45 to 48 shall apply until 30 September 2018.

50.—(1) Subject to paragraph (2), where a notice of sums in arrears is given pursuant to section 86B of the 1974 Act in relation to a regulated agreement for fixed-sum credit or a regulated consumer hire agreement made before 1 October 2008 the notice may contain pre-commencement information.

(2) Where pre-commencement information is included in a notice to which section 86(B)(2)(b) applies it may be aggregated with the sum required to be included in the notice under paragraph 7 of Schedule 3.

(3) For the purposes of this regulation, “pre-commencement information” means any sum which—

- (a) became due before 1 October 2008;
- (b) the debtor or hirer failed to pay in full when it became due under the agreement; and
- (c) remains unpaid at the date the duty to give the notice arose.

31st March 2007

Ian McCartney
Minister for Trade,
Investment and Foreign Affairs
Department of Trade and Industry

SCHEDULE 1

PART 1

Regulation 4(a)

INFORMATION TO BE INCLUDED IN STATEMENTS RELATING TO FIXED-SUM CREDIT AGREEMENTS

1. The period to which the statement relates.

2.—(1) The name, telephone number or numbers, postal address and, where appropriate, any other address of the creditor.

(2) Where the creditor and the debtor have entered into an arrangement under which the creditor has given the debtor details of a particular employee or category of employee of the creditor whom the debtor is entitled to contact in relation to all his dealings with the creditor, the creditor may, instead of including the telephone number or numbers referred to in sub-paragraph (1), refer to that arrangement.

3. Information specific to the agreement—

- (a) a description of the agreement sufficient to identify it;
- (b) the amount of credit provided and, where applicable, to be provided under the agreement (shown as one figure);

- (c) (i) any rate or rates of interest applicable on a per annum basis which applied during the period to which the statement relates and—
 - (aa) the periods during which each rate applied; and
 - (bb) if applicable, the element of the credit to which each rate applied; or
- (ii) where the rate or rates of interest are not applicable on a per annum basis, the rate or rates of interest on the credit provided under the agreement, in each case quoted on a per annum basis and a statement explaining how and when interest charges are calculated and applied under the agreement;
- (d) (i) the date on which the agreement became an executed agreement; or
 - (ii) the date of first movement on the account;
- (e) (i) the duration; or
 - (ii) the minimum duration, of the agreement as provided in the agreement;
- (f) any opening balance under the agreement at the beginning of the period to which the statement relates;
- (g) the amount and date of any payment made into the account by, or to the credit of, the debtor during the period to which the statement relates;
- (h) the amount and date of any interest or other charges payable by the debtor which became due during the period to which the statement relates, whether or not the interest or other charges relate only to that period;
- (i) the amount and date of any movement in the account during the period to which the statement relates which is not required to be included in the statement under subparagraphs (g) and (h); and
- (j) the balance under the agreement at the end of the period to which the statement relates.

PART 2

Regulation 4(b)

FORMS OF WORDING TO BE INCLUDED IN STATEMENTS RELATING TO FIXED-SUM CREDIT AGREEMENTS

4. Each of the following forms of wording shall be contained in a statement under this Part:

“Settling your credit agreement early

You can settle this agreement at any time by giving us notice in writing and paying off the amount you owe. If you wish to settle early you should contact us for a final settlement figure.”;

“Dispute resolution

If you have a problem with your agreement, please try to resolve it with us in the first instance. If you are not happy with the way in which we handled your complaint or the result, you may be able to complain to the Financial Ombudsman Service. If you do not take up your problem with us first you will not be entitled to complain to the Ombudsman. We can provide details of how to contact the Ombudsman.”;

“Paying less than the agreed sum:

If you pay less than your agreed payment in most cases it is likely to take you longer and may cost you more to pay off the debt under the agreement.

If you have difficulties making payments under your credit agreement please contact us if you have not already done so to discuss terms for the rest of the agreement. You may also

want to seek advice on what to do from an independent free advice agency such as the Citizens Advice Bureau.”.

PART 3

Regulation 4(c)

FORMS OF WORDING TO BE INCLUDED IN FIXED-SUM CREDIT STATEMENTS RELATING TO HIRE-PURCHASE OR CONDITIONAL SALE AGREEMENTS

5. The following forms of wording shall be included, as appropriate, in a statement under this Part:

“Termination: Your rights

You also have the right to end this agreement early in accordance with section 99 of the Consumer Credit Act 1974. You will not have to pay all the sums due under the agreement but you will not be entitled to retain the goods if you do this. Details were set out in your credit agreement. If you wish to terminate the agreement you should contact us for further information including any amount payable on termination.”.

“If you wish we can provide you with separate settlement figures for your [hire purchase] [conditional sale] [NOTE 1] agreement and for your insurance finance agreement. Please contact us in writing to obtain this.”.

NOTE 1: Delete as applicable.

SCHEDULE 2

Regulation 14

FORMS OF WORDING AND INFORMATION TO BE INCLUDED IN STATEMENTS RELATING TO RUNNING-ACCOUNT CREDIT AGREEMENTS

1. The following form of wording shall be contained in a statement under this Part—

“Minimum payments

If you make only the minimum payment each month, it will take you longer and cost you more to clear your balance.”.

2. If at the end of the period to which the statement relates, the debtor has paid less than the minimum payment required to be paid by him in accordance with the agreement, the statement shall contain the following form of wording—

“You have failed to make a minimum payment

Failing to make your minimum payment can mean that you have broken the terms of this credit agreement and could result in us taking legal action against you. It could lead to your having to pay additional costs and make it more difficult for you to obtain credit in future.”.

3. The following information shall be contained in the statement—

A statement of the order or proportions in which any amount paid by the debtor which is not sufficient to discharge the total debt then due under the agreement will be applied or appropriated by the creditor towards the discharge of the sums due in respect of:

- (a) the amounts of credit provided for different purposes; or
- (b) different parts of the agreement.

4. The following forms of wording shall be contained in the statement—

“If you do not pay off the full amount outstanding, we will allocate your payment to the outstanding balance in a specific order, which is set out [NOTE 1]. The way in which payments are allocated can make a significant difference to the amount of interest you will pay until the balance is cleared completely.”;

NOTE 1: state where in relation to this form of wording this information is located on the statement;

“Dispute resolution

If you have a problem with your agreement, please try to resolve it with us in the first instance. If you are not happy with the way in which we handled your complaint or the result, you may be able to complain to the Financial Ombudsman Service. If you do not take up your problem with us first you will not be entitled to complain to the Ombudsman. We can provide details of how to contact the Ombudsman.”.

SCHEDULE 3

PART 1

Regulation 19(1)(c), (d)

INFORMATION AND STATEMENTS TO BE INCLUDED IN NOTICES OF SUMS IN ARREARS UNDER FIXED-SUM CREDIT AGREEMENTS ETC.

1. The date of the notice.

2.—(1) The name, telephone number or numbers, the postal address, and, where appropriate, any other address of the creditor or owner.

(2) Where the creditor and the debtor or the owner and the hirer have entered into an arrangement under which the debtor or the hirer has been given details of a particular employee or category of employee of the creditor or owner whom the debtor or hirer is entitled to contact in relation to all his dealings with the creditor or owner, the creditor or owner may, instead of including the telephone number or numbers referred to in sub-paragraph (1), refer to that arrangement.

3. Information specific to the agreement:

- (a) a description of the agreement sufficient to identify it; and
- (b) the opening balance under the agreement at the date on which the duty to give the notice arose.

4.—(1) Where default sums or interest (other than any set out in the notice) may be payable in connection with the amounts set out in the notice, a statement in the following form—

“Default sums and interest

You may have to pay default sums and interest in relation to the missed or partly made payments referred to in this notice. Please contact us if you would like further details. This notice does not take account of any payments received after the date of the notice.”.

(2) In any other case, a statement in the following form—

“Default sums and interest

You will not incur any default sums or extra interest in relation to the missed or partly made payments referred to in this notice. This notice does not take account of any payments received after the date of the notice.”.

5. A statement in the following form:

“Notices

For so long as you continue to be behind with your payments by any amount, you will be sent notices about this at least every six months. We are not required to send you notices more frequently than this, even if you get further behind with your payments in between notices.”.

PART 2

Regulation 19(2)(a)

**INFORMATION TO BE INCLUDED IN FIRST REQUIRED NOTICES OF SUMS
IN ARREARS UNDER FIXED-SUM CREDIT AGREEMENTS ETC.**

6. The amount of the shortfall under the agreement which gave rise to the duty to give the notice.

PART 3

Regulation 19(3)

**INFORMATION AND STATEMENT TO BE INCLUDED IN ALL NOTICES OF
SUMS IN ARREARS UNDER FIXED-SUM CREDIT AGREEMENTS ETC.
EXCEPT FIRST REQUIRED NOTICES**

7. That part of the opening balance referred to in paragraph 3(b) of this Schedule which comprises any sum which the debtor or hirer has failed to pay in full when it became due under the agreement, whether or not such sums have been included in a previous notice.

8. The amount and date of any payment made into the account by, or to the credit of, the debtor or hirer during the period to which the notice relates.

9. The amount and date of any interest or other charges payable by the debtor or hirer which became due during the period to which the notice relates, whether or not the interest or other charges relate only to that period.

10. The amount and date of any movement in the account during the period to which the notice relates which is not required to be included in the notice under paragraphs 8.

11. The balance under the agreement at the end of the period to which the notice relates.

12. That part of the balance referred to in paragraph 11 which comprises any sum which the debtor or hirer has failed to pay in full when it became due under the agreement and which remains unpaid at the end of the period to which the notice relates, whether or not such a sum has been included in a previous notice.

13. Add the following words to the end of the first sentence of the statement in paragraph 4(1): “(in addition to any default sums and interest included in this notice).”.

INFORMATION AND STATEMENTS TO BE INCLUDED IN NOTICES OF SUMS IN ARREARS UNDER RUNNING-ACCOUNT CREDIT AGREEMENTS

14. The date of the notice.

15. A description of the agreement sufficient to identify it.

16.—(1) The name, telephone number, postal address and, where appropriate, any other address of the creditor.

(2) Where the creditor and the debtor have entered into an arrangement under which the creditor has given the debtor details of a particular employee or category of employee of the creditor whom the debtor is entitled to contact in relation to all his dealings with the creditor, the creditor may, instead of including the telephone number or numbers referred to in sub-paragraph (1), refer to that arrangement.

17. In relation to each of the last two payments which the debtor is required under the agreement to have made and which have not been paid or not fully paid:

- (a) the amount payable;
- (b) the date on which that amount became due;
- (c) in the event that the debtor has paid part of that amount, the amount he has paid and the date on which that payment was made; and
- (d) the nature of the amount due,

together with the aggregate of the amounts payable as shown under sub-paragraph (a) less the aggregate of the amounts paid as shown under sub-paragraph (c).

18. A statement in the following form—

“Missed and partly made payments

This notice does not give details of missed or partly made payments previously notified whether or not they remain unpaid.”.

19.—(1) Where default sums or interest (other than any set out in the notice) may be payable in connection with the amounts set out in the notice, a statement in the following form—

“Default sums and Interest

You may have to pay default sums and interest in relation to the missed or partly made payments indicated above in addition to any default sums and interest already included in this notice. Please contact us if you would like further details. This notice does not take account of any payments received after the date of the notice.”.

(2) In any other case, a statement in the following form—

“Default sums and Interest

You will not incur any default sums or extra interest in relation to the missed or partly made payments indicated above. This notice does not take account of any payments received after the date of the notice.”.

PART 5

Regulation 19(1)(e) and 24(1)(e)

STATEMENT TO BE INCLUDED IN NOTICES OF SUMS IN ARREARS UNDER FIXED-SUM CREDIT AGREEMENTS ETC. AND RUNNING-ACCOUNT CREDIT AGREEMENTS

A statement in the following form shall be contained in a notice under this Part—

“Office of Fair Trading Information Sheet

This notice should include a copy of the current information sheet on arrears prepared by the Office of Fair Trading. This contains important information about your rights and where to go for support and advice, for example on applying for a Time Order as well as our right to charge you interest. If it is not included you should contact us to get one. Please refer to the Office of Fair Trading information sheet for more information about how to get advice on dealing with your debt.”.

SCHEDULE 4

PART 1

Regulation 30

INFORMATION AND FORM OF WORDING TO BE INCLUDED IN NOTICES OF DEFAULT SUMS

1. The date of the notice.
2. A description of the agreement sufficient to identify it.
- 3.—(1) The name, telephone number, postal address and, where appropriate, any other address of the creditor or owner.
(2) Where the creditor and the debtor or the owner and the hirer have entered into an arrangement under which the debtor or the hirer has been given details of a particular employee or category of employee of the creditor or owner whom the debtor or hirer is entitled to contact in relation to all his dealings with the creditor or owner, the creditor or owner may, instead of including the telephone number or numbers referred to in sub-paragraph (1), refer to that arrangement.
4. The amount and nature of each default sum payable under the agreement which has not been the subject of a previous notice of default sums.
5. The date upon which each default sum referred to in the notice became payable under the agreement.
6. The following statement:

“This Notice does not take account of default sums which we have already told you about in another default sum notice, whether or not those sums remain unpaid.”.
7. The total amount of all the default sums included in the notice.

PART 2

Regulation 31

FORMS OF WORDING TO BE INCLUDED IN NOTICES OF DEFAULT SUMS WHERE INTEREST IS PAYABLE ON DEFAULT SUMS

8. Where the interest rate which applies to the default sum in the event that it is not paid or not paid in full when it falls due is a variable rate the following form of wording shall be contained in a notice under this Part—

“Interest

We are not entitled to charge you interest on the default sums for the first 28 days after we have given you this notice. However if the sums are not paid in full by that date interest will be charged at the rate of.....[NOTE 1]. Since this interest rate is a variable rate, the rate which we will apply to the default sum once the 28 days have passed may be different.”.

NOTE 1: Insert the interest rate applicable at the date of the notice.

9. Where the interest rate which applies to the default sum in the event that it is not paid or not paid in full when it falls due is a fixed rate the following form of wording shall be contained in the notice—

“Interest

We are not entitled to charge you interest on the default sums for the first 28 days after we have given you this notice. However if the sum is not paid in full by that date interest will be charged at the rate of.....[NOTE 1].”.

NOTE 1: Insert applicable interest rate.

SCHEDULE 5

PART 1

Regulation 34(a)(i) and (b)

INFORMATION AND STATEMENT TO BE INCLUDED IN ALL NOTICES UNDER SECTION 130A OF THE 1974 ACT

1. The date of the notice.
2. A description of the agreement sufficient to identify it and the claim number of the judgment given in relation to the agreement.
- 3.—(1) The name, telephone number, postal address and, where appropriate, any other address of the creditor or owner.
(2) Where the creditor and the debtor or the owner and the hirer have entered into an arrangement under which the debtor or the hirer has been given details of a particular employee or category of employee of the creditor or owner whom the debtor or hirer is entitled to contact in relation to all his dealings with the creditor or owner, the creditor or owner may, instead of including the telephone number or numbers referred to in sub-paragraph (1), refer to that arrangement.
4. The amount on which post-judgment interest is or will be charged at the date of the notice.
5. A statement in the following form—

“If you are having problems making repayments you should contact us in the first instance. If we cannot help you resolve the problem and if you are making payments under an

instalment order you may be able to apply to the court to have the terms of the instalment order varied. If you do so you may also ask the court to reduce the amount of interest payable on the judgment debt.”.

6. A statement in the following form—

“Advice and information

You can also obtain advice and information about dealing with your debt issues from the Citizens Advice Bureau, Federation of Law Centres, Consumer Credit Counselling Service, National Debtline, Advice UK agencies, Trading Standards, and Consumer Direct on [NOTE 1].”.

NOTE 1: Insert the telephone numbers for the organisations referred to which are contained in the current Office of Fair Trading Default information sheet.

PART 2

Regulation 34(b)

INFORMATION AND STATEMENT TO BE INCLUDED IN ALL EXCEPT FIRST REQUIRED NOTICE UNDER SECTION 130A OF THE 1974 ACT

7. The total amount of post-judgment interest charged since the date of the last notice given under section 130A in relation to the agreement.

8. The date or dates on which post-judgment interest has been charged since that date.

9. The rate or rates at which post-judgment interest was charged. Where the rate is a variable rate it shall be stated to be variable.

PART 3

Regulation 34(a)(ii)

FORM OF WORDING TO BE INCLUDED IN FIRST REQUIRED NOTICE

“Interest payable after a judgment

This notice is being given to you because a court judgment has been obtained against you in relation to the agreement. Under the agreement we are allowed to continue to charge you interest on all the sums which the judgment states you owe us.

This notice is to advise you that we intend to charge interest. The rate of interest payable will be [NOTE 1] (variable) [NOTE 2].

Interest will be charged from the day you were given this notice (i.e. when the notice is deemed to have been delivered to you in the ordinary course of post) onwards.

This means that even if you pay off the whole amount of the judgment, you may still have a further sum to pay.

For so long as we intend to charge interest on the monies which the judgment states you owe us, you will be given a notice about this at least every six months. This will also include information about the amount of interest that has been charged since the previous notice was given.

If you are not given such a notice within 6 months starting with the day after the previous notice was given to you then we will not be able to charge further interest until you are given such a notice.”

NOTE 1: Insert interest rate or rates. Where the rate is variable insert the rate applicable at the date of the notice.

NOTE 2: Delete where the rate or rates are fixed.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations prescribe information and forms of wording which must be included in certain statements and notices which creditors and owners are required to give debtors and hirers under the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 (the “1974 Act”).

They also stipulate the maximum duration for definite licences issued under the 1974 Act; the period after which the Office of Fair Trading (OFT) is entitled to recover a maintenance charge from licensees under the Act; and the date on which an OFT general notice dealing with such charges is required to be in force (for the purpose of calculating the amount of the charge a licensee is liable to pay).

Regulations 3 to 11 (together with Schedule 1) set out the information and forms of wording which periodic statements given in relation to fixed-sum credit agreements under section 77A of the 1974 Act must contain.

Where a debtor has entered into an agreement under which he makes one payment in relation to his indebtedness under a number of fixed-sum credit agreements (at least one of which is a regulated fixed-sum credit agreement) regulations 7 to 9 permit creditors to aggregate certain figures which are required to be shown in the statement (and appropriate adjustment of certain forms of wording), which would otherwise have to be shown separately in relation to each agreement to which the “agreement to aggregate” (as defined in regulation 2) relates.

Regulation 11 permits the period of a statement which is required to be given under section 77A of the 1974 Act to be flexible up to one year but requires that it be given to the debtor not more than thirty days after the period has come to an end.

Regulation 12 sets out certain additional information which creditors are required to include in periodic statements given in relation to home credit loan agreements (as defined in regulation 3). This regulation implements (in part) the findings of the Competition Commission home credit market investigation report of 30 November 2006, details of which can be found at www.competition-commission.org.uk.

Regulations 13 to 18 (and Schedule 2) set out certain additional forms of wording which statements required to be given in relation to running account credit under section 78(4) of the 1974 Act must contain. Regulation 18 permits the creditor to omit certain wording which it would otherwise be required to include where the total sum of arrears during the relevant period is £1 or less; no additional sums will become payable in connection with the arrears; and the creditor has not taken steps to and does not intend to recover the arrears.

Regulations 19 to 23 (and Parts 1 to 3 and 5 of Schedule 3) prescribe the information and forms of wording which notices of sums in arrears required to be given in relation to fixed-sum credit agreements and hire agreements under section 86B of the 1974 Act must contain.

Regulations 20 to 23 enable aggregation of certain sums (and appropriate adjustment of certain forms of wording) which the notices are required to contain along similar lines to regulations 7 to 9. Regulation 23 permits aggregation of certain figures required to be included in the notice in the event that all the sums payable under the agreement have become due and those sums have been aggregated with sums due under other fixed-sum credit agreements (at least one of which is a regulated fixed-sum credit agreement).

Regulations 24 to 26 (and Parts 4 and 5 of Schedule 3) set out the information and forms of wording required to be included in notices of sums in arrears in relation to running account agreements under section 86C of the 1974 Act. Regulation 26 limits the amount of information and forms of wording which the notice is required to contain where the arrears do not exceed £2 but regulation 26 contains the same conditions as regulation 18.

Regulations 27 to 32 (and Schedule 4) set out the information and forms of wording which notices of default sums given under section 86E of the 1974 Act in relation to regulated agreements are required to contain.

Regulation 33 makes certain amendments to the Consumer Credit (Enforcement, Default and Termination Notices) Regulations 1983 so far as default notices given under section 87 of the 1974 Act are concerned.

Regulations 34 and 35 (together with Schedule 5) contain the information and forms of wording which notices of intention to recover post-judgment interest under section 130A of the 1974 Act are required to include.

Regulations 36 to 40 set out certain requirements in relation to the form of notices and statements to which the Regulations apply. Regulation 41 makes provision regarding the effect of errors which do not affect the information or wording which these Regulations require the notice or statement concerned to contain.

Regulation 42 prescribes that the period for licences of a definite term is five years and regulation 43(2) prescribes the same period for payment of fees in relation to licences of a definite term. Regulation 43(1) provides that the OFT general notice to which reference will be made in order to calculate the maintenance charge payable by licensees is the (relevant) notice which is in force three months before the end of the licensee's payment period.

Regulation 44 revokes the Consumer Credit (Period of Standard Licence) Regulations 1975 on the grounds that these have been superseded by changes to the 1974 Act.

Regulations 45 to 48 contain transitional provisions concerning notices and statements relating to agreements made before 1st October 2008.

A Regulatory Impact Assessment has been prepared in respect of these Regulations and may be viewed at <http://www.dti.gov.uk/consumers/consumer-finance/credit-act-2006/documents>. Impact was also considered as part of the Regulatory Impact Assessment, which accompanied the Consumer Credit Bill when it was introduced into the House of Commons in May 2005.

2007 No. 1167

CONSUMER CREDIT

**The Consumer Credit (Information Requirements and Duration
of Licences and Charges) Regulations 2007**

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