



# Consumer Credit Act 1974

## 1974 CHAPTER 39

### [<sup>F1</sup>PART VA U.K.]

#### CURRENT ACCOUNT OVERDRAFTS

##### Textual Amendments

- F1** Pt. VA inserted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), [regs. 21, 99\(1\)](#) (with [regs. 100, 101](#)) (as substituted by [The Consumer Credit \(Amendment\) Regulations 2010 \(S.I. 2010/1969\)](#), [reg. 9](#))

#### **74A Information to be provided on a current account agreement** U.K.

- (1) This section applies to a current account agreement where—
- (a) there is the possibility that the account-holder may be allowed to overdraw on the current account without a pre-arranged overdraft or exceed a pre-arranged overdraft limit, and
  - (b) if the account-holder did so, this would be a regulated consumer credit agreement.
- (2) The current account agreement must include the following information at the time it is made—
- (a) the rate of interest charged on the amount by which an account-holder overdraws on the current account or exceeds the pre-arranged overdraft limit,
  - (b) any conditions applicable to that rate,
  - (c) any reference rate on which that rate is based,
  - (d) information on any changes to the rate of interest (including the periods that the rate applies and any conditions or procedure applicable to changing that rate), and
  - (e) any other charges payable by the debtor under the agreement (and the conditions under which those charges may be varied).

*Status: Point in time view as at 01/02/2011.*

*Changes to legislation: Consumer Credit Act 1974, PART VA is up to date with all changes known to be in force on or before 15 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (3) The account-holder must be informed in writing at least annually of the information in subsection (2).
- (4) For the purposes of subsections (2) and (3) where different rates of interest are charged in different circumstances, the creditor must provide the information in subsection (2) (a) to (d) in respect of each rate.
- (5) Subsection (3) does not apply where the overdraft or excess would be secured on land.

**[** **F2** **74B** **Information to be provided on significant overdrawing without prior arrangement** **U.K.**

- (1) Where—
  - (a) the holder of a current account overdraws on the account without a pre-arranged overdraft, or exceeds a pre-arranged overdraft limit, for a period exceeding one month,
  - (b) the amount of that overdraft or excess is significant throughout that period,
  - (c) that overdraft or excess is a regulated consumer credit agreement, and
  - (d) the account-holder has not been informed in writing of the matters mentioned in subsection (2) within that period,
 the account-holder must be informed in writing of those matters without delay.
- (2) The matters referred to in subsection (1) are—
  - (a) the fact that the current account is overdrawn or the overdraft limit has been exceeded,
  - (b) the amount of that overdraft or excess,
  - (c) the rate of interest charged on it, and
  - (d) any other charges payable by the debtor in relation to it (including any penalties and any interest on those charges).
- (3) For the purposes of subsection (1)(b) the amount of the overdraft or excess is to be treated as significant if—
  - (a) the account-holder is liable to pay a charge for which he would not otherwise be liable,
  - (b) the overdraft or excess is likely to have an adverse effect on the debtor's ability to receive further credit (including any effect on the information about the debtor held by a credit reference agency), or
  - (c) it otherwise appears significant, having regard to all the circumstances.
- (4) Where the overdraft or excess is secured on land, subsection (1)(a) is to be read as if the reference to one month were a reference to three months.]]

**Textual Amendments**

- F2** S. 74B inserted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), [regs. 22, 99\(1\)](#) (with [regs. 100, 101](#)) (as substituted by [The Consumer Credit \(Amendment\) Regulations 2010 \(S.I. 2010/1969\)](#), [reg. 10](#))

**Status:**

Point in time view as at 01/02/2011.

**Changes to legislation:**

Consumer Credit Act 1974, PART VA is up to date with all changes known to be in force on or before 15 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.