



Consumer Credit Act 1974

1974 CHAPTER 39

PART IX

JUDICIAL CONTROL

Extortionate credit bargains

139 Reopening of extortionate agreements

- (1) A credit agreement may, if the court thinks just, be reopened on the ground that the credit bargain is extortionate—
 - (a) on an application for the purpose made by the debtor or any surety to the High Court, county court or sheriff court; or
 - (b) at the instance of the debtor or a surety in any proceedings to which the debtor and creditor are parties, being proceedings to enforce the credit agreement, any security relating to it, or any linked transaction; or
 - (c) at the instance of the debtor or a surety in other proceedings in any court where the amount paid or payable under the credit agreement is relevant.
- (2) In reopening the agreement, the court may, for the purpose of relieving the debtor or a surety from payment of any sum in excess of that fairly due and reasonable, by order—
 - (a) direct accounts to be taken, or (in Scotland) an accounting to be made, between any persons,
 - (b) set aside the whole or part of any obligation imposed on the debtor or a surety by the credit bargain or any related agreement,
 - (c) require the creditor to repay the whole or part of any sum paid under the credit bargain or any related agreement by the debtor or a surety, whether paid to the creditor or any other person,
 - (d) direct the return to the surety of any property provided for the purposes of the security, or
 - (e) alter the terms of the credit agreement or any security instrument.

Status: This is the original version (as it was originally enacted).

- (3) An order may be made under subsection (2) notwithstanding that its effect is to place a burden on the creditor in respect of an advantage unfairly enjoyed by another person who is a party to a linked transaction.
- (4) An order under subsection (2) shall not alter the effect of any judgment.
- (5) In England and Wales an application under subsection (1)(a) shall be brought only in the county court in the case of—
 - (a) a regulated agreement, or
 - (b) an agreement (not being a regulated agreement) under which the creditor provides the debtor with fixed-sum credit not exceeding £750 or running-account credit on which the credit limit does not exceed £750.
- (6) In Scotland an application under subsection (1)(a) may be brought in the sheriff court for the district in which the debtor or surety resides or carries on business.
- (7) In Northern Ireland an application under subsection (1)(a) may be brought in the county court in the case of—
 - (a) a regulated agreement, or
 - (b) an agreement (not being a regulated agreement) under which the creditor provides the debtor with fixed-sum credit not exceeding £300 or running-account credit on which the credit limit does not exceed £300.