
STATUTORY INSTRUMENTS

2008 No. 831 (C. 40)

CONSUMER CREDIT

The Consumer Credit Act 2006 (Commencement
No. 4 and Transitional Provisions) Order 2008

Made - - - - 20th March 2008

The Secretary of State makes the following Order in exercise of the powers conferred by sections 69(2) and 71(2) of the Consumer Credit Act 2006(1).

Citation

1. This Order may be cited as the Consumer Credit Act 2006 (Commencement No.4 and Transitional Provisions) Order 2008.

Interpretation

2.—(1) In this Order—

“existing agreement” means an agreement made before 6th April 2008 by which the creditor provided the debtor with credit exceeding £25,000;

“relevant agreement” means a consumer credit agreement of a description set out in Schedule 1;

“the 1974 Act” means the Consumer Credit Act 1974(2); and

“the 2006 Act” means the Consumer Credit Act 2006.

(2) Expressions used in articles 2 to 4 and Schedule 1 have the same meaning as they have in the 1974 Act.

Commencement

3.—(1) The provisions of the 2006 Act specified in Schedule 2 shall come into force on 6th April 2008.

(2) The provisions of the 2006 Act specified in Schedule 3 shall come into force on 1st October 2008.

(1) 2006 c.14.
(2) 1974 c.39.

Transitional Provisions

4.—(1) Section 2(1) of the 2006 Act (removal of financial limits etc.) has no effect for the purposes of the application of section 82(2) of the 1974 Act (variation of agreements) where an agreement—

- (a) varies or supplements an existing agreement; and
- (b) would not, apart from section 82(2) of the 1974 Act, be treated as an agreement under which credit in the form of a cash loan is provided.

(2) Section 2(1) of the 2006 Act has no effect for the purposes of the application of section 82(2) of the 1974 Act where an exempt agreement varies or supplements an existing agreement.

Gareth Thomas
Parliamentary Under Secretary of State for Trade
and Consumer Affairs
Department for Business, Enterprise &
Regulatory Reform

20th March 2008

SCHEDULE 1

Article 2(1)

MEANING OF “RELEVANT AGREEMENT”

1. A consumer credit agreement is a relevant agreement if any sums due under it are secured by a land mortgage on land outside the United Kingdom.
2. A consumer credit agreement is a relevant agreement if any sums due under it are secured by a land mortgage on land in the United Kingdom where the condition in paragraph 3 is satisfied.
3. The condition is that at the time the agreement is entered into less than 40% of the land is used, or is intended to be used, as or in connection with a dwelling—
 - (a) by the debtor or a person connected with the debtor, or
 - (b) in the case of credit provided to trustees, by an individual who is the beneficiary of the trust or a person connected with such an individual.
4. For the purposes of paragraph 3 the area of any land which comprises a building or other structure containing two or more storeys is to be taken to be the aggregate of the floor areas of each of those storeys.
5. For the purpose of paragraph 3 a person is “connected with” the debtor or an individual who is the beneficiary of a trust if he is—
 - (a) that person’s spouse or civil partner;
 - (b) a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife; or
 - (c) that person’s parent, brother, sister, child, grandparent or grandchild.

SCHEDULE 2

Article 3(1)

PROVISIONS COMING INTO FORCE ON 6TH APRIL 2008

| <i>Provisions</i> | <i>Subject Matter of Provisions</i> |
|--|-------------------------------------|
| Section 2(1) insofar as it applies to agreements other than relevant agreements | Removal of financial limits etc. |
| Section 2(2) and (3) | Removal of financial limits etc. |
| Section 70 insofar as it relates to provisions in Schedule 4 brought into force on 6th April 2008 by this Order | Repeals |
| Schedule 4 for the purposes of the entry relating to section 8(2) of the 1974 Act insofar as it relates to agreements other than relevant agreements | Repeals |
| Schedule 4 for the purposes of the entry relating to the definition of “personal credit agreement” in section 189(1) and the entry relating to “personal credit agreement” in Part 1 of Schedule 2 to the 1974 Act insofar as they relate to agreements other than relevant agreements | Repeals |

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SCHEDULE 3

Article 3(2)

PROVISIONS COMING INTO FORCE ON 1ST OCTOBER 2008

| <i>Provisions</i> | <i>Subject Matter of Provisions</i> |
|---|-------------------------------------|
| Section 2(1) for remaining purposes | Removal of financial limits etc. |
| Section 70 insofar as it relates to provisions in Schedule 4 brought into force on 1st October 2008 by this Order | Repeals |
| Schedule 4 for remaining purposes | Repeals |

EXPLANATORY NOTE

(This note is not part of the Order)

This Order brings into force further provisions of the Consumer Credit Act 2006, which amend the Consumer Credit Act 1974. It is the final Order that will be made.

The provisions in Schedule 2 come into force on 6th April 2008 and the provisions in Schedule 3 come into force on 1st October 2008.

Article 3(1) and Schedule 2 commence section 2(1) of the Consumer Credit Act 2006 insofar as it applies to agreements other than relevant agreements of a description set out in Schedule 1.

Section 2(1) of the Consumer Credit Act 2006 amends section 8 of the Consumer Credit Act 1974 and removes the £25,000 limit for consumer credit agreements. Article 4 of the Order provides that section 2(1) has no effect where an agreement varies or supplements an agreement made before 6th April 2008 for the provision of credit exceeding £25,000 and either does not itself provide for further credit to be advanced or is itself an exempt agreement under the Consumer Credit Act 1974.

NOTE AS TO EARLIER COMMENCEMENT ORDERS

(This note is not part of the Order)

The following provisions of the Consumer Credit Act 2006 have been or are being brought into force by commencement orders made before the date of this Order.

| <i>Provision</i> | <i>Date of Commencement</i> | <i>S.I. No.</i> |
|------------------------------|-----------------------------|---------------------------|
| s.1 | 06.04.2007 | 2007/123 |
| s.3 (partially) | 16.06.2006 | 2006/1508 |
| s.3 (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.4 (partially) | 16.06.2006 | 2006/1508 |
| s.4 (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.5(1) to (4), (7) and (10) | 06.04.2008 | 2007/3300 |

| <i>Provision</i> | <i>Date of Commencement</i> | <i>S.I. No.</i> |
|----------------------------------|-----------------------------|-----------------|
| s.5 (5), (6), (8) and (9) | 06.04.2007 | 2007/387 |
| s.6 (partially) | 16.06.2006 | 2006/1508 |
| s.6 (for remaining purposes) | 01.10.2008 | 2007/3300 |
| s.7(1) and (2) | 16.06.2006 | 2006/1508 |
| s.7(3) | 01.10.2008 | 2007/3300 |
| s.8 | 31.01.2007 | 2007/123 |
| s.9 (partially) | 16.06.2006 | 2006/1508 |
| s.9 (for remaining purposes) | 01.10.2008 | 2007/3300 |
| s.10 (partially) | 16.06.2006 | 2006/1508 |
| s.10 (for remaining purposes) | 01.10.2008 | 2007/3300 |
| s.11 | 01.10.2008 | 2007/3300 |
| s.12 (partially) | 16.06.2006 | 2006/1508 |
| s.12 (for remaining purposes) | 01.10.2008 | 2007/3300 |
| s.13 | 01.10.2008 | 2007/3300 |
| s.14(1) | 01.10.2006 | 2006/1508 |
| s.14(2) | 16.06.2006 | 2006/1508 |
| s.14(3) | 01.10.2008 | 2007/3300 |
| s.15 | 06.04.2007 | 2007/123 |
| s.16 | 01.10.2008 | 2007/3300 |
| s.17(partially) | 16.06.2006 | 2006/1508 |
| s.17 (for remaining purposes) | 01.10.2008 | 2007/3300 |
| s.18 | 16.06.2006 | 2006/1508 |
| s.19 | 06.04.2007 | 2007/123 |
| s.20 | 06.04.2007 | 2007/123 |
| s.21 | 06.04.2007 | 2007/123 |
| s.22 | 06.04.2007 | 2007/123 |
| s.23 | 06.04.2008 | 2007/3300 |
| s.24(1), (3) and (5) | 01.10.2008 | 2007/3300 |
| s.24(2), (4) and (6) | 16.06.2006 | 2006/1508 |
| s.25(1), (3) and (4) | 01.10.2008 | 2007/3300 |
| s.25(2) and (5) | 16.06.2006 | 2006/1508 |
| s.26 | 06.04.2008 | 2007/3300 |
| s.27(1) (partially) | 16.06.2006 | 2006/1508 |
| s.27(1) (for remaining purposes) | 06.04.2008 | 2007/3300 |

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| <i>Provision</i> | <i>Date of Commencement</i> | <i>S.I. No.</i> |
|----------------------------------|-----------------------------|-----------------|
| s.27(2) to (4) | 06.04.2008 | 2007/3300 |
| s.28 (partially) | 16.06.2006 | 2006/1508 |
| s.28 (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.29 | 06.04.2008 | 2007/3300 |
| s.30 | 01.12.2007 | 2007/3300 |
| s.31 | 06.04.2008 | 2007/3300 |
| s.32 | 06.04.2008 | 2007/3300 |
| s.33(1) to (3) and (5) to (12) | 06.04.2008 | 2007/3300 |
| s.33(4) | 01.12.2007 | 2007/3300 |
| s.34(1) | 06.04.2008 | 2007/3300 |
| s.34(2) (partially) | 16.06.2006 | 2006/1508 |
| s.34(2) (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.34(3) to (7) | 06.04.2008 | 2007/3300 |
| s.34(8) (partially) | 16.06.2006 | 2006/1508 |
| s.34(8) (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.34(9) | 06.04.2008 | 2007/3300 |
| s.35 (partially) | 16.06.2006 | 2006/1508 |
| s.35 (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.36 (partially) | 16.06.2006 | 2006/1508 |
| s.36 (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.37 | 06.04.2008 | 2007/3300 |
| s.38 | 06.04.2008 | 2007/3300 |
| s.39 | 06.04.2008 | 2007/3300 |
| s.40 | 06.04.2008 | 2007/3300 |
| s.41 | 06.04.2008 | 2007/3300 |
| s.42 | 01.12.2007 | 2007/3300 |
| s.43 | 06.04.2008 | 2007/3300 |
| s.44(1) | 01.12.2007 | 2007/3300 |
| s.44(2) | 06.04.2008 | 2007/3300 |
| s.44(3) (partially) | 01.12.2007 | 2007/3300 |
| s.44(3) (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.45 (partially) | 01.12.2007 | 2007/3300 |
| s.45 (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.46 | 06.04.2008 | 2007/3300 |

| <i>Provision</i> | <i>Date of Commencement</i> | <i>S.I. No.</i> |
|---|-----------------------------|-----------------|
| s.47 | 06.04.2008 | 2007/3300 |
| s.48 | 06.04.2008 | 2007/3300 |
| s.49 | 06.04.2008 | 2007/3300 |
| s.50 | 06.04.2008 | 2007/3300 |
| s.51 | 06.04.2008 | 2007/3300 |
| s.52 | 06.04.2008 | 2007/3300 |
| s.53 | 06.04.2008 | 2007/3300 |
| s.54 | 01.12.2007 | 2007/3300 |
| s.55(1) and (2) (partially), Sch.1 (partially) | 01.12.2007 | 2007/3300 |
| s.55(1) and (2) (partially), Sch. 1 (partially) | 06.04.2008 | 2007/3300 |
| s.56(1) | 06.04.2008 | 2007/3300 |
| s.56(2) (partially) | 01.12.2007 | 2007/3300 |
| s.56(2) (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.56(3) | 06.04.2008 | 2007/3300 |
| s.57 (partially) | 01.12.2007 | 2007/3300 |
| s.57 (for remaining purposes) | 06.04.2008 | 2007/3300 |
| s.58(1) and (4) | 06.04.2008 | 2007/3300 |
| s.58(2) and (3) | 01.12.2007 | 2007/3300 |
| s.59, Sch.2 | 16.06.2006 | 2006/1508 |
| s.60 | 16.06.2006 | 2006/1508 |
| s.61 | 16.06.2006 | 2006/1508 |
| s.62 | 06.04.2008 | 2007/3300 |
| s.63 | 16.06.2006 | 2006/1508 |
| s.64 | 06.04.2008 | 2007/3300 |
| s. 65 to 68 | 16.06.2006 | 2006/1508 |
| s.69(1) (partially), Sch. 3, para 1(1) | 16.06.2006 | 2006/1508 |
| s.69(1) (partially), Sch. 3, para 1(2) | 06.04.2007 | 2007/387 |
| s.69(1) (partially), Sch. 3, paras 2 to 4 | 01.10.2008 | 2007/3300 |
| s.69(1) (partially), Sch. 3, para 5 | 31.01.2007 | 2007/123 |
| s.69(1) (partially), Sch. 3, paras 6 to 9 | 01.10.2008 | 2007/3300 |
| s.69(1) (partially), Sch. 3, para 10 | 01.10.2006 | 2006/1508 |
| s.69(1) (partially), Sch. 3, para 11 | 06.04.2007 | 2007/123 |
| s.69(1) (partially), Sch. 3, paras 12 and 13 | 01.10.2008 | 2007/3300 |
| s.69(1) (partially), Sch. 3, paras 14 to 16 | 06.04.2007 | 2007/123 |

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| <i>Provision</i> | <i>Date of Commencement</i> | <i>S.I. No.</i> |
|--|-----------------------------|-----------------|
| s.69(1) (partially), Sch. 3, para 18 | 06.04.2008 | 2007/3300 |
| s.69(1) (partially), Sch. 3, para 19 | 01.12.2007 | 2007/3300 |
| s.69(1) (partially), Sch. 3, paras 20 and 21 | 06.04.2008 | 2007/3300 |
| s.69(1) (partially), Sch. 3, paras 22 to 25 | 01.12.2007 | 2007/3300 |
| s.69(1) (partially), Sch. 3, paras 26 to 28 | 06.04.2008 | 2007/3300 |
| s.69(1) partially, Sch.3, para 29 | 06.04.2007 | 2007/387 |
| s.69(2) to (5) | 16.06.2006 | 2006/1508 |
| s.70 (partially) | 06.04.2007 | 2007/387 |
| s.70 (partially) | 06.04.2008 | 2007/3300 |
| Sch. 4 (partially) | 06.04.2007 | 2007/123 |
| Sch 4 (partially) | 06.04.2007 | 2007/387 |
| Sch 4 (partially) | 06.04.2008 | 2007/3300 |