



Hire-Purchase Act 1964

1964 CHAPTER 53

PART III

MOTOR VEHICLES ON HIRE-PURCHASE OR CONDITIONAL SALE

27 Protection of purchasers of motor vehicles

- (1) The provisions of this section shall have effect where a motor vehicle has been let under a hire-purchase agreement, or has been agreed to be sold under a conditional sale agreement, and, at a time before the property in the vehicle has become vested in the hirer or buyer, he disposes of the vehicle to another person.
- (2) Where the disposition referred to in the preceding subsection is to a private purchaser, and he is a purchaser of the motor vehicle in good faith and without notice of the hire-purchase agreement or conditional sale agreement, that disposition shall have effect as if the title of the owner or seller to the vehicle had been vested in the hirer or buyer immediately before that disposition.
- (3) Where the person to whom the disposition referred to in subsection (1) of this section is made (in this subsection referred to as " the original purchaser ") is a trade or finance purchaser, then if the person who is the first private purchaser of the motor vehicle after that disposition (in this section referred to as " the first private purchaser ") is a purchaser of the vehicle in good faith and without notice of the hire-purchase agreement or conditional sale agreement, the disposition of the vehicle to the first private purchaser shall have effect as if the title of the owner or seller to the vehicle had been vested in the hirer or buyer immediately before he disposed of it to the original purchaser.
- (4) Where, in a case falling within the last preceding subsection.—
 - (a) the disposition whereby the first private purchaser becomes a purchaser of the motor vehicle in good faith and without notice of the hire-purchase agreement or conditional sale agreement is itself a letting under a hire-purchase agreement, and
 - (b) the person who is the owner in relation to that agreement disposes of the vehicle to the first private purchaser, or a person claiming under him, by way

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of transferring to him the property in the vehicle in pursuance of a provision in the agreement in that behalf,

the disposition referred to in paragraph (b) of this subsection (whether the person to whom it is made is then a purchaser in good faith and without notice of the original hire-purchase agreement or conditional sale agreement or not) shall, as well as the disposition referred to in paragraph (a) of this subsection, have effect as mentioned in the last preceding subsection.

- (5) The preceding provisions of this section shall have effect—
- (a) notwithstanding anything in section 21 of the Sale of Goods Act 1893 (which relates to the sale of goods by a person who is not the owner), but
 - (b) without prejudice to the provisions of the Factors Acts (as defined by section 62(1) of the said Act of 1893) or of any other enactment enabling the apparent owner of goods to dispose of them as if he were the true owner of the goods.
- (6) Nothing in this section shall exonerate the hirer or buyer from any liability (whether criminal or civil) to which he would be subject apart from this section; and, in a case where the hirer or buyer disposes of the motor vehicle to a trade or finance purchaser, nothing in this section shall exonerate—
- (a) that trade or finance purchaser, or
 - (b) any other trade or finance purchaser who becomes a purchaser of the vehicle and is not a person claiming under the first private purchaser,
- from any liability (whether criminal or civil) to which he would be subject apart from this section.

28 Presumptions relating to dealings with motor vehicles

- (1) Where in any proceedings (whether criminal or civil) relating to a motor vehicle it is proved—
- (a) that the vehicle was let under a hire-purchase agreement, or was agreed to be sold under a conditional sale agreement, and
 - (b) that a person (whether a party to the proceedings or not) became a private purchaser of the vehicle in good faith and without notice of the hire-purchase agreement or conditional sale agreement,
- the following provisions of this section shall have effect for the purposes of the operation of section 27 of this Act in relation to those proceedings.
- (2) It shall be presumed for those purposes, unless the contrary is proved, that the disposition of the vehicle to the person referred to in paragraph (b) of the preceding subsection (in this section referred to as " the relevant purchaser ") was made by the hirer or buyer.
- (3) If it is proved that that disposition was not made by the hirer or buyer, then it shall be presumed for those purposes, unless the contrary is proved.—
- (a) that the hirer or buyer disposed of the vehicle to a private purchaser who was a purchaser of the vehicle in good faith and without notice of the hire-purchase agreement or conditional sale agreement, and
 - (b) that the relevant purchaser is or was a person claiming under the person to whom the hirer or buyer so disposed of the vehicle.

- (4) If it is proved that the disposition of the vehicle to the relevant purchaser was not made by the hirer or buyer, and that the person to whom the hirer or buyer disposed of the vehicle (in this subsection referred to as " the original purchaser") was a trade or finance purchaser, then it shall be presumed for those purposes, unless the contrary is proved.—
- (a) that the person who, after the disposition of the vehicle to the original purchaser, first became a private purchaser of the vehicle was a purchaser in good faith and without notice of the hire-purchase agreement or conditional sale agreement, and
 - (b) that the relevant purchaser is or was a person claiming under the original purchaser.
- (5) Without prejudice to any other mode of proof, where in any proceedings a party thereto admits a fact, that fact shall, for the purposes of this section, be taken as against him to be proved in relation to those proceedings.

29 Interpretation of Part III

- (1) In this Part of this Act—
- " conditional sale agreement " and " seller " have the meanings assigned to them by section 21(5) of, and paragraph 6 of Schedule 1 to, this Act;
 - " disposition " means any sale or contract of sale (including a conditional sale agreement), any letting under a hire-purchase agreement and any transfer of the property in goods in pursuance of a provision in that behalf contained in a hire-purchase agreement, and includes any transaction purporting to be a disposition (as so defined), and " dispose of" shall be construed accordingly;
 - " hire-purchase agreement " and " owner " have the meanings assigned to them by section 21(1) of the Hire-Purchase Act 1938 ;
 - " motor vehicle " means a mechanically propelled vehicle intended or adapted for use on roads to which the public has access.
- (2) In this Part of this Act "trade or finance purchaser " means a purchaser who, at the time of the disposition made to him, carries on a business which consists, wholly or partly.—
- (a) of purchasing motor vehicles for the purpose of offering or exposing them for sale, or
 - (b) of providing finance by purchasing motor vehicles for the purpose of letting them under hire-purchase agreements or agreeing to sell them under conditional sale agreements,
- and " private purchaser " means a purchaser who, at the time of the disposition made to him, does not carry on any such business.
- (3) For the purposes of this Part of this Act a person becomes a purchaser of a motor vehicle if, and at the time when, a disposition of the vehicle is made to him; and a person shall be taken to be a purchaser of a motor vehicle without notice of a hire-purchase agreement or conditional sale agreement if,
- at the time of the disposition made to him, he has no actual notice that the vehicle is or was the subject of any hire-purchase agreement or conditional sale agreement.
- (4) In this Part of this Act " the hirer or buyer ".—

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- (a) in relation to a motor vehicle which has been let under a hire-purchase agreement, means the person who at the material time (whether the agreement has before that time been terminated or not) is the hirer in relation to that agreement for the purposes of the Hire-Purchase Act 1938, including a person who at that time is, by virtue of section 13(1) of that Act, deemed to be a bailee of the vehicle as therein mentioned ;
 - (b) in relation to a motor vehicle which has been agreed to be sold under a conditional sale agreement, means the person who at the material time (whether the agreement has before that time been terminated or not) is in relation to that agreement the buyer (as defined by paragraph 6 of Schedule 1 to this Act), including a person who at that time is, by virtue of section 13(1) of the Hire-Purchase Act 1938 (as modified by paragraph 4 of that Schedule), deemed to be in possession of the vehicle as therein mentioned.
- (5) In this Part of this Act any reference to the title of the owner or seller to a motor vehicle which has been let under a hire-purchase agreement, or agreed to be sold under a conditional sale agreement, and is disposed of by the hirer or buyer, is a reference to such title (if any) to the vehicle as, immediately before that disposition, was vested in the person who then was the owner in relation to the hire-purchase agreement, or the seller in relation to the conditional sale agreement, as the case may be.
- (6) In the application to Scotland of subsection (4) of this section, for the word " bailee " there shall be substituted the word " custodier ".