



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*Status: This is the original version (as it was originally enacted).*

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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.