



Consumer Credit Act 1974

1974 CHAPTER 39

PART V

ENTRY INTO CREDIT OR HIRE AGREEMENTS

Preliminary matters

55 Disclosure of information.

(1) Regulations may require specified information to be disclosed in the prescribed manner to the debtor or hirer before a regulated agreement is made.

[^{F1}(2) If regulations under subsection (1) are not complied with, the agreement is enforceable against the debtor or hirer on an order of the court only (and for these purposes a retaking of goods or land to which the agreement relates is an enforcement of the agreement).]

Textual Amendments

F1 S. 55(2) substituted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010](#) (S.I. 2010/1010), [regs. 16](#), 99(1) (with [regs. 100](#), 101)

Modifications etc. (not altering text)

C1 S. 55 excluded (E.W.S.) (15.7.2014) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Green Deal\) \(Amendment\) Order 2014](#) (S.I. 2014/1850), [arts. 1\(2\)](#), [12\(2\)](#) (with [art. 1\(3\)](#))

^{F2}**55A Pre-contractual explanations etc**

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Status: Point in time view as at 01/01/2016.

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Textual Amendments

- F2** S. 55A omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), arts. 1(2)(6), **20(21)**

^{F3}**55B Assessment of creditworthiness**

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Textual Amendments

- F3** S. 55B omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), arts. 1(2)(6), **20(22)**

^{F4}**55C Copy of draft consumer credit agreement**

- (1) Before a regulated consumer credit agreement, other than an excluded agreement, is made, the creditor must, if requested, give to the debtor without delay a copy of the prospective agreement (or such of its terms as have at that time been reduced to writing).
- (2) Subsection (1) does not apply if at the time the request is made, the creditor is unwilling to proceed with the agreement.
- (3) A breach of the duty imposed by subsection (1) is actionable as a breach of statutory duty.
- (4) For the purposes of this section an agreement is an excluded agreement if it is—
 - (a) an agreement secured on land,
 - (b) an agreement under which a person takes an article in pawn,
 - (c) an agreement under which the creditor provides the debtor with credit which exceeds £60, 260 [^{F5}and which is not a residential renovation agreement] , or
 - (d) an agreement entered into by the debtor wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by him.

[^{F6}(5) Article 60C(5) and (6) of the Regulated Activities Order applies for the purposes of subsection (4)(d).]]

Textual Amendments

- F4** S. 55C inserted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), [regs. 6, 99\(1\)](#) (with [regs. 100, 101](#))
- F5** Words in s. 55C(4)(c) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), [Sch. 1 para. 2\(3\)](#) (with Pt. 4)
- F6** S. 55C(5) substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), arts. 1(2)(6), **20(23)**

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Modifications etc. (not altering text)

C2 S. 55C excluded (E.W.S.) (15.7.2014) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Green Deal\) \(Amendment\) Order 2014 \(S.I. 2014/1850\)](#), arts. 1(2), **12(2)** (with art. 1(3))

56 Antecedent negotiations.

- (1) In this Act “antecedent negotiations ” means any negotiations with the debtor or hirer—
- (a) conducted by the creditor or owner in relation to the making of any regulated agreement, or
 - (b) conducted by a credit-broker in relation to goods sold or proposed to be sold by the credit-broker to the creditor before forming the subject-matter of a debtor-creditor-supplier agreement within section 12(a), or
 - (c) conducted by the supplier in relation to a transaction financed or proposed to be financed by a debtor-creditor-supplier agreement within section 12(b) or (c),
- and “negotiator ” means the person by whom negotiations are so conducted with the debtor or hirer.
- (2) Negotiations with the debtor in a case falling within subsection (1)(b) or (c) shall be deemed to be conducted by the negotiator in the capacity of agent of the creditor as well as in his actual capacity.
- (3) An agreement is void if, and to the extent that, it purports in relation to an actual or prospective regulated agreement—
- (a) to provide that a person acting as, or on behalf of, a negotiator is to be treated as the agent of the debtor or hirer, or
 - (b) to relieve a person from liability for acts or omissions of any person acting as, or on behalf of, a negotiator.
- (4) For the purposes of this Act, antecedent negotiations shall be taken to begin when the negotiator and the debtor or hirer first enter into communication (including communication by advertisement), and to include any representations made by the negotiator to the debtor or hirer and any other dealings between them.

57 Withdrawal from prospective agreement.

- (1) The withdrawal of a party from a prospective regulated agreement shall operate to apply this Part to the agreement, any linked transaction and any other thing done in anticipation of the making of the agreement as it would apply if the agreement were made and then cancelled under section 69.
- (2) The giving to a party of a written or oral notice which, however expressed, indicates the intention of the other party to withdraw from a prospective regulated agreement operates as a withdrawal from it.
- (3) Each of the following shall be deemed to be the agent of the creditor or owner for the purpose of receiving a notice under subsection (2)—
- (a) a credit-broker or supplier who is the negotiator in antecedent negotiations, and
 - (b) any person who, in the course of a business carried on by him, acts on behalf of the debtor or hirer in any negotiations for the agreement.

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- (4) Where the agreement, if made, would not be a cancellable agreement, subsection (1) shall nevertheless apply as if the contrary were the case.

58 Opportunity for withdrawal from prospective land mortgage.

- (1) Before sending to the debtor or hirer, for his signature, an unexecuted agreement in a case where the prospective regulated agreement is to be secured on land (the “mortgaged land”), the creditor or owner shall give the debtor or hirer a copy of the unexecuted agreement which contains a notice in the prescribed form indicating the right of the debtor or hirer to withdraw from the prospective agreement, and how and when the right is exercisable, together with a copy of any other document referred to in the unexecuted agreement.
- (2) Subsection (1) does not apply to—
- (a) a restricted-use credit agreement to finance the purchase of the mortgaged land, or
 - (b) an agreement for a bridging loan in connection with the purchase of the mortgaged land or other land.

59 Agreement to enter future agreement void.

- (1) An agreement is void if, and to the extent that, it purports to bind a person to enter as debtor or hirer into a prospective regulated agreement.
- (2) Regulations may exclude from the operation of subsection (1) agreements such as are described in the regulations.

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