



# Consumer Credit Act 1974

## 1974 CHAPTER 39

### PART VIII

#### SECURITY

##### *Pledges*

#### **114 Pawn-receipts.**

- (1) At the time he receives the article, a person who takes any article in pawn under a regulated agreement shall give to the person from whom he receives it a receipt in the prescribed form (a “pawn-receipt”).
- (2) A person who takes any article in pawn from an individual whom he knows to be, or who appears to be and is, a minor commits an offence.
- (3) This section and sections [F<sup>1</sup>117] to 122 do not apply to—
  - (a) a pledge of documents of title [F<sup>2</sup>or of bearer bonds], or
  - (b) a non-commercial agreement.

#### **Textual Amendments**

**F1** Word in s. 114(3) 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(36)**

**F2** Words inserted by [Banking Act 1979 \(c. 37, SIF 10\)](#), s. **38(2)**

#### **Modifications etc. (not altering text)**

**C1** S. 114 excluded by [Banking Act 1979 \(c. 37, SIF 10\)](#), s. **38(2)**

#### **<sup>F3</sup>115 Penalty for failure to supply copies of pledge agreement, etc.**

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#### Textual Amendments

- F3** S. 115 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(37)**

### 116 Redemption period.

- (1) A pawn is redeemable at any time within six months after it was taken.
- (2) Subject to subsection (1), the period within which a pawn is redeemable shall be the same as the period fixed by the parties for the duration of the credit secured by the pledge, or such longer period as they may agree.
- (3) If the pawn is not redeemed by the end of the period laid down by subsections (1) and (2) (the “redemption period”), it nevertheless remains redeemable until it is realised by the pawnee under section 121 except where under section 120(1)(a) the property in it passes to the pawnee.
- (4) No special charge shall be made for redemption of a pawn after the end of the redemption period, and charges in respect of the safe keeping of the pawn shall not be at a higher rate after the end of the redemption period than before.

#### Modifications etc. (not altering text)

- C2** Ss. 115–117 excluded by [Banking Act 1979 \(c. 37, SIF 10\)](#), s. **38(2)**

### 117 Redemption procedure.

- (1) On surrender of the pawn-receipt, and payment of the amount owing, at any time when the pawn is redeemable, the pawnee shall deliver the pawn to the bearer of the pawn-receipt.
- (2) Subsection (1) does not apply if the pawnee knows or has reasonable cause to suspect that the bearer of the pawn-receipt is neither the owner of the pawn nor authorised by the owner to redeem it.
- (3) The pawnee is not liable to any person in tort or delict for delivering the pawn where subsection (1) applies, or refusing to deliver it where the person demanding delivery does not comply with subsection (1) or, by reason of subsection (2), subsection (1) does not apply.

#### Modifications etc. (not altering text)

- C3** Ss. 115–117 excluded by [Banking Act 1979 \(c. 37, SIF 10\)](#), s. **38(2)**

### 118 Loss etc. of pawn-receipt.

- (1) A person (the “claimant”) who is not in possession of the pawn-receipt but claims to be the owner of the pawn, or to be otherwise entitled or authorised to redeem it,

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may do so at any time when it is redeemable by tendering to the pawnee in place of the pawn-receipt—

- (a) a statutory declaration made by the claimant in the pre-scribed form, and with the prescribed contents, or
  - (b) where the pawn is security for fixed-sum credit not exceeding [<sup>F4</sup>£75] or running-account credit on which the credit limit does not exceed [<sup>F4</sup>£75], and the pawnee agrees, a statement in writing in the prescribed form, and with the prescribed contents, signed by the claimant.
- (2) On compliance by the claimant with subsection (1), section 117 shall apply as if the declaration or statement were the pawn-receipt, and the pawn-receipt itself shall become inoperative for the purposes of section 117.

#### Textual Amendments

**F4** "£75" substituted (1.5.1998) in s. 118(1)(b) by [S.I. 1998/997, art. 3, Sch.](#)

#### Modifications etc. (not altering text)

**C4** S. 118 excluded by [Banking Act 1979 \(c. 37, SIF 10\), s. 38\(2\)](#)

### 119 Unreasonable refusal to deliver pawn.

- (1) If a person who has taken a pawn under a regulated agreement refuses without reasonable cause to allow the pawn to be redeemed, he commits an offence.
- (2) On the conviction in England or Wales of a pawnee under subsection (1) where the offence does not amount to theft, [<sup>F5</sup>[<sup>F6</sup>Chapter 3 of Part 7 of the Sentencing Code] (restitution orders)] shall apply as if the pawnee had been convicted of stealing the pawn.
- (3) On the conviction in Northern Ireland of a pawnee under subsection (1) where the offence does not amount to theft, section 27 (orders for restitution) of the <sup>M1</sup>Theft Act (Northern Ireland) 1969, and any provision of the Theft Act (Northern Ireland) 1969 relating to that section, shall apply as if the pawnee had been convicted of stealing the pawn.

#### Textual Amendments

**F5** Words in s. 119(2) substituted (25.8.2000) by [2000 c. 6, ss. 165, 168\(1\), Sch. 9 para. 45](#)

**F6** Words in s. 119(2) substituted (1.12.2020) by [Sentencing Act 2020 \(c. 17\), s. 416\(1\), Sch. 24 para. 29](#) (with [Sch. 24 para. 447, Sch. 27](#)); [S.I. 2020/1236, reg. 2](#)

#### Modifications etc. (not altering text)

**C5** S. 119 excluded by [Banking Act 1979 \(c. 37, SIF 10\), s. 38\(2\)](#)

#### Marginal Citations

**M1** [1969 c. 16 \(N.I.\)](#)

### 120 Consequence of failure to redeem.

- (1) If at the end of the redemption period the pawn has not been redeemed—

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- (a) notwithstanding anything in section 113, the property in the pawn passes to the pawnee where
- [<sup>F7</sup>(i) the redemption period is six months,
  - (ii) the pawn is security for fixed-sum credit not exceeding £75 or running-account credit on which the credit limit does not exceed £75, and
  - (iii) the pawn was not immediately before the making of the regulated consumer credit agreement a pawn under another regulated consumer credit agreement in respect of which the debtor has discharged his indebtedness in part under section 94(3); or]
- (b) in any other case the pawn becomes realisable by the pawnee.
- (2) Where the debtor or hirer is entitled to apply to the court for a time order under section 129, subsection (1) shall apply with the substitution, for “at the end of the redemption period ” of “after the expiry of five days following the end of the redemption period ”.

#### Textual Amendments

- F7** Words in s. 120(1)(a) substituted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), [regs. 35, 99\(1\)](#) (with [regs. 100, 101](#))

#### Modifications etc. (not altering text)

- C6** S. 120 excluded by [Banking Act 1979 \(c. 37, SIF 10\)](#), [s. 38\(2\)](#)

## 121 Realisation of pawn.

- (1) When a pawn has become realisable by him, the pawnee may sell it, after giving to the pawnor (except in such cases as may be prescribed) not less than the prescribed period of notice of the intention to sell, indicating in the notice the asking price and such other particulars as may be prescribed.
- (2) Within the prescribed period after the sale takes place, the pawnee shall give the pawnor the prescribed information in writing as to the sale, its proceeds and expenses.
- (3) Where the net proceeds of sale are not less than the sum which, if the pawn had been redeemed on the date of the sale, would have been payable for its redemption, the debt secured by the pawn is discharged and any surplus shall be paid by the pawnee to the pawnor.
- (4) Where subsection (3) does not apply, the debt shall be treated as from the date of sale as equal to the amount by which the net proceeds of sale fall short of the sum which would have been payable for the redemption of the pawn on that date.
- (5) In this section the “net proceeds of sale ” is the amount realised (the “gross amount ”) less the expenses (if any) of the sale.
- (6) If the pawnor alleges that the gross amount is less than the true market value of the pawn on the date of sale, it is for the pawnee to prove that he and any agents employed by him in the sale used reasonable care to ensure that the true market value was obtained, and if he fails to do so subsections (3) and (4) shall have effect as if the reference in subsection (5) to the gross amount were a reference to the true market value.

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- (7) If the pawnor alleges that the expenses of the sale were unreasonably high, it is for the pawnee to prove that they were reasonable, and if he fails to do so subsections (3) and (4) shall have effect as if the reference in subsection (5) to expenses were a reference to reasonable expenses.

**Modifications etc. (not altering text)**

C7 Ss. 121, 122 excluded by [Banking Act 1979 \(c. 37, SIF 10\)](#), s. 38(2)

**122 Order in Scotland to deliver pawn.**

- (1) As respects Scotland where—
- (a) a pawn is either—
    - (i) an article which has been stolen, or
    - (ii) an article which has been obtained by fraud, and a person is convicted of any offence in relation to the theft or, as the case may be, the fraud;  
or
  - (b) a person is convicted of an offence under section 119(1),  
the court by which that person is so convicted may order delivery of the pawn to the owner or the person otherwise entitled thereto.
- (2) A court making an order under subsection (1)(a) for delivery of a pawn may make the order subject to such conditions as to payment of the debt secured by the pawn as it thinks fit.

**Modifications etc. (not altering text)**

C8 Ss. 121, 122 excluded by [Banking Act 1979 \(c. 37, SIF 10\)](#), s. 38(2)

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