
Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

SCHEDULES

SCHEDULE 2

EXAMPLES OF USE OF NEW TERMINOLOGY

PART II

EXAMPLES

EXAMPLE 4

Facts. Discussions take place and correspondence passes between a secondhand car dealer and a customer about a car, which is then sold by the dealer to the customer under a regulated conditional sale agreement. Subsequently, on a revocation of that agreement by consent, the car is resold by the dealer to a finance company introduced by him (with whom he has a business relationship), who in turn disposes of it to the same customer under a regulated hire-purchase agreement.

Analysis. The discussions and correspondence constitute antecedent negotiations in relation both to the conditional sale agreement and the hire-purchase agreement. They fall under section 56(1)(a) in relation to the conditional sale agreement, the dealer being the creditor and the negotiator. In relation to the hire-purchase agreement they fall within section 56(1)(b), the dealer continuing to be treated as the negotiator but the finance company now being the creditor. Both agreements are cancellable if the discussions took place when the individual conducting the negotiations (whether the "negotiator" or his employee or agent) was in the presence of the debtor, unless the unexecuted agreement was signed by the debtor at trade premises (as defined in section 67(b)). If the discussions all took place by telephone however, or the unexecuted agreement was signed by the debtor on trade premises (as so defined) the agreements are not cancellable.