

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

### <sup>F1</sup><sup>F2</sup>SCHEDULE A1

#### Textual Amendments

- F1** Sch. A1 omitted (1.9.2009) by virtue of [The Transfer of Functions of the Consumer Credit Appeals Tribunal Order 2009 \(S.I. 2009/1835\)](#), arts. 1, 4(1), **Sch. 1 para. 9** (with Sch. 4)
- F2** Sch. A1 inserted (1.12.2007 for specified provisions and 6.4.2008 for further specified provisions and otherwise prosp.) by [Consumer Credit Act 2006 \(c. 14\)](#), ss. 55(2), 71(2), **Sch. 1** (with Sch. 3 para. 23(2)); [S.I. 2007/3300](#), **arts. 3(1), 3(2)**, Sch. 1, Sch. 2

### SCHEDULE 1

Section 167.

#### PROSECUTION AND PUNISHMENT OF OFFENCES

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Section</b>	<b>Offence</b>	<b>Mode of prosecution</b>	<b>Imprisonment or fine</b>
7	Knowingly or recklessly giving false information to <sup>F6</sup> OFT].	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.
39(1)	Engaging in activities requiring a licence when not a licensee.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.
39(2)	Carrying on a business under a name not specified in licence.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

39(3)	Failure to notify changes in registered particulars.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.
45	Advertising credit where goods etc. not available for cash.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.
F7	F7	F7	F7
.....			
		F7	F7
.....			
47(1)	Advertising infringements.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.
49(1)	Canvassing debtor-creditor agreements off trade premises.	(a) Summarily.	£400.
		(b) On indictment.	1 year or a fine or both.
49(2)	Soliciting debtor-creditor agreements during visits made in response to previous oral requests.	(a) Summarily.	£400.
		(b) On indictment.	1 year or a fine or both.
50(1)	Sending circulars to minors.	(a) Summarily.	£400.
		(b) On indictment.	1 year or a fine or both.
51(1)	Supplying unsolicited credit-tokens.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.
F7	F7	F7	F7
.....			
F7	F7	F7	F7
.....			
F7	F7	F7	F7

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

80(2)	Failure to tell creditor or owner whereabouts of goods.	Summarily.	[ <sup>F8</sup> level 3 on the standard scale].
F7	F7	F7	F7
F7	F7	F7	F7
F7	F7	F7	F7
F7	F7	F7	F7
F7	F7	F7	F7
F7	F7	F7	F7
F7	F7	F7	F7
114(2)	Taking pledges from minors.	(a) Summarily.	£400.
		(b) On indictment.	1 year or a fine or both.
115	Failure to supply copies of a pledge agreement or pawn-receipt.	Summarily.	[ <sup>F8</sup> level 4 on the standard scale].
119(1)	Unreasonable refusal to allow pawn to be redeemed.	Summarily.	[ <sup>F8</sup> level 4 on the standard scale].
154	Canvassing ancillary credit services off trade premises.	(a) Summarily.	£200.
		(b) On indictment.	1 year or a fine or both.
157(3)	Refusal to give name etc. of credit reference agency.	Summarily.	[ <sup>F8</sup> level 4 on the standard scale].
158(4)	Failure of credit reference agency to disclose filed information.	Summarily.	[ <sup>F8</sup> level 4 on the standard scale].

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

159(6)	Failure of credit reference agency to correct information.	Summarily.	[ <sup>F8</sup> level 4 on the standard scale].
160(6)	Failure of credit reference agency to comply with section 160(3) or (4).	Summarily.	[ <sup>F8</sup> level 4 on the standard scale].
[ <sup>F9</sup> 160A	Failure of credit intermediary to comply with section 160A(3), (4) or (5).	Summarily.	Level 4 on the standard scale.]
162(6)	Impersonation of enforcement authority officers.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.
165(1)	Obstruction of enforcement authority officers.	Summarily.	[ <sup>F8</sup> level 4 on the standard scale].
165(2)	Giving false information to enforcement authority officers.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.
167(2)	Contravention of regulations under section 44, 52, 53, 54, or 112.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.
174(5)	Wrongful disclosure of information.	(a) Summarily.	£400.
		(b) On indictment.	2 years or a fine or both.

#### Textual Amendments

- F6** Words in Sch. 1 substituted (1.4.2003) by Enterprise Act 2002 (c. 40), ss. 278, 279, Sch. 25 para. 6(40); S.I. 2003/766, art. 2, Sch. (with art. 3)
- F7** Entries in Sch. 1 Table repealed (26.5.2008) by The Consumer Protection from Unfair Trading Regulations 2008 (S.I. 2008/1277), reg. 30(3), Sch. 1 (with savings in reg. 28(2)(3))
- F8** Words substituted by virtue of (E.W.) Criminal Justice Act 1982 (c. 48, SIF 39:1), ss. 38, 46, (S.) by Criminal Procedure (Scotland) Act 1975 (c. 21, SIF 39:1), s. 289F, 289G and (N.I.) by S.I. 1984/703 (N.I. 3), arts. 5, 6

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

**F9** Entry in Sch. 1 Table inserted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), [regs. 43, 99\(1\)](#) (with [regs. 100, 101](#))

## SCHEDULE 2

Section 188(1).

### EXAMPLES OF USE OF NEW TERMINOLOGY

#### PART I

##### LISTS OF TERMS

<b>Term</b>	<b>Defined in section</b>	<b>Illustrated by example(s)</b>
Advertisement	189(1)	2
Advertiser	189(1)	2
Antecedent negotiations	56	1, 2, 3, 4
Cancellable agreement	67	4
Consumer credit agreement	8	5, 6, 7, 15, 19, 21
Consumer hire agreement	15	20, 24
Credit	9	16, 19, 21
Credit-broker	189(1)	2
Credit limit	10(2)	6, 7, 19, 22, 23
Creditor	189(1)	1, 2, 3, 4
Credit-sale agreement	189(1)	5
Credit-token	14	3, 14, 16
Credit-token agreement	14	3, 14, 16, 22
Debtor-creditor agreement	13	8, 16, 17, 18
Debtor-creditor-supplier agreement	12	8, 16
Fixed-sum credit	10	9, 10, 17, 23
Hire-purchase agreement	189(1)	10
Individual	189(1)	19, 24
Linked transaction	19	11
Modifying agreement	82(2)	24
Multiple agreement	18	16, 18
Negotiator	56(1)	1, 2, 3, 4
<b>F10</b>	<b>F10</b>	<b>F10</b>
...	...	...

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

Pre-existing arrangements	187	8, 21
Restricted-use credit	11	10, 12, 13, 14, 16
Running-account credit	10	15, 16, 18, 23
Small agreement	17	16, 17, 22
Supplier	189(1)	3, 14
Total charge for credit	20	5, 10
Total price	189(1)	10
Unrestricted-use credit	11	8, 12, 16, 17, 18.

#### Textual Amendments

**F10** Words in Sch. 2 Pt. 1 repealed (6.4.2008 for certain purposes otherwise 31.10.2008) by [Consumer Credit Act 2006 \(c. 14\)](#), ss. 70, 71(2), [Sch. 4](#); S.I. 2008/831, [arts. 3\(1\)\(2\)](#), [Schs. 2, 3](#) (as amended by S.I. 2008/2444, [art. 2](#))

## PART II

### EXAMPLES

#### Example 1

*Facts.* Correspondence passes between an employee of a moneylending company (writing on behalf of the company) and an individual about the terms on which the company would grant him a loan under a regulated agreement.

*Analysis.* The correspondence constitutes antecedent negotiations falling within section 56(1)(a), the moneylending company being both creditor and negotiator.

#### Example 2

*Facts.* Representations are made about goods in a poster displayed by a shopkeeper near the goods, the goods being selected by a customer who has read the poster and then sold by the shopkeeper to a finance company introduced by him (with whom he has a business relationship). The goods are disposed of by the finance company to the customer under a regulated hire-purchase agreement.

*Analysis.* The representations in the poster constitute antecedent negotiations falling within section 56(1)(b), the shopkeeper being the credit-broker and negotiator and the finance company being the creditor. The poster is an advertisement and the shopkeeper is the advertiser.

#### Example 3

*Facts.* Discussions take place between a shopkeeper and a customer about goods the customer wishes to buy using a credit-card issued by the D Bank under a regulated agreement.

*Analysis.* The discussions constitute antecedent negotiations falling within section 56(1)(c), the shopkeeper being the supplier and negotiator and the D Bank the creditor. The credit-card is a credit-token as defined in section 14(1), and the regulated agreement under which it was issued is a credit-token agreement as defined in section 14(2).

---

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

---

#### 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 dispose 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.

#### Example 5

*Facts.* E agrees to sell to F (an individual) an item of furniture in return for 24 monthly instalments of £10 payable in arrear. The property in the goods passes to F immediately.

*Analysis.* This is a credit-sale agreement (see definition of “credit-sale agreement” in section 189(1)). The credit provided amounts to £240 less the amount which, according to regulations made under section 20(1), constitutes the total charge for credit. (This amount is required to be deducted by section 9(4)). Accordingly the agreement falls within section 8(2) and is a consumer credit agreement.

#### Example 6

*Facts.* The G Bank grants H (an individual) an unlimited overdraft, with an increased rate of interest on so much of any debit balance as exceeds £2,000.

*Analysis.* Although the overdraft purports to be unlimited, the stipulation for increased interest above £2,000 brings the agreement within section 10(3)(b)(ii) and it is a consumer credit agreement.

#### Example 7

*Facts.* J is an individual who owns a small shop which usually carries a stock worth about £1,000. K makes a stocking agreement under which he undertakes to provide on short-term credit the stock needed from time to time by J without any specified limit.

*Analysis.* Although the agreement appears to provide unlimited credit, it is probable, having regard to the stock usually carried by J, that his indebtedness to K will not at any time rise above £5,000. Accordingly the agreement falls within section 10(3)(b)(iii) and is a consumer credit agreement.

#### Example 8

*Facts.* U, a moneylender, lends £500 to V (an individual) knowing he intends to use it to buy office equipment from W. W introduced V to U, it being his practice to introduce customers needing finance to him. Sometimes U gives W a commission for this and sometimes not. U pays the £500 direct to V.

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

*Analysis.* Although this appears to fall under section 11(1)(b), it is excluded by section 11(3) and is therefore (by section 11(2)) an unrestricted-use credit agreement. Whether it is a debtor-creditor agreement (by section 13(c)) or a debtor-creditor-supplier agreement (by section 12(c)) depends on whether the previous dealings between U and W amount to “pre-existing arrangements”, that is whether the agreement can be taken to have been entered into “in accordance with, or in furtherance of” arrangements previously made between U and W, as laid down in section 187(1).

#### Example 9

*Facts.* A agrees to lend B (an individual) £4,500 in nine monthly instalments of £500.

*Analysis.* This is a cash loan and is a form of credit (see section 9 and definition of “cash” in section 189(1)). Accordingly it falls within section 10(1)(b) and is fixed-sum credit amounting to £4,500.

#### Example 10

*Facts.* C (in England) agrees to bail goods to D (an individual) in return for periodical payments. The agreement provides for the property in the goods to pass to D on payment of a total of £7,500 and the exercise by D of an option to purchase. The sum of £7,500 includes a down-payment of £1,000. It also includes an amount which, according to regulations made under section 20(1), constitutes a total charge for credit of £1,500.

*Analysis.* This is a hire-purchase agreement with a deposit of £1,000 and a total price of £7,500 (see definitions of “hire-purchase agreement”, “deposit” and “total price” in section 189(1)). By section 9(3), it is taken to provide credit amounting to £7,500—(£1,500 + £1,000), which equals £5,000. Under section 8(2), the agreement is therefore a consumer credit agreement, and under sections 9(3) and 11(1) it is a restricted-use credit agreement for fixed-sum credit. A similar result would follow if the agreement by C had been a hiring agreement in Scotland.

#### Example 11

*Facts.* X (an individual) borrows £500 from Y (Finance). As a condition of the granting of the loan X is required—

- (a) to execute a second mortgage on his house in favour of Y (Finance), and
- (b) to take out a policy of insurance on his life with Y (Insurances).

In accordance with the loan agreement, the policy is charged to Y (Finance) as collateral security for the loan. The two companies are associates within the meaning of section 184(3).

*Analysis.* The second mortgage is a transaction for the provision of security and accordingly does not fall within section 19(1), but the taking out of the insurance policy is a linked transaction falling within section 19(1)(a). The charging of the policy is a separate transaction (made between different parties) for the provision of security and again is excluded from section 19(1). The only linked transaction is therefore the taking out of the insurance policy. If X had not been required by the loan agreement to take out the policy, but it had been done at the suggestion of Y (Finance) to induce them to enter into the loan agreement, it would have been a linked transaction under section 19(1)(c)(i) by virtue of section 19(2)(a).

#### Example 12

*Facts.* The N Bank agrees to lend O (an individual) £2,000 to buy a car from P. To make sure the loan is used as intended, the N Bank stipulates that the money must be paid by it direct to P.



---

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

---

*Analysis.* The agreement is a consumer credit agreement by virtue of section 8(2). Since it falls within section 11(1)(b), it is a restricted-use credit agreement, P being the supplier. If the N Bank had not stipulated for direct payment to the supplier, section 11(3) would have operated and made the agreement into one for unrestricted-use credit.

#### Example 13

*Facts.* Q, a debt-adjuster, agrees to pay off debts owed by R (an individual) to various moneylenders. For this purpose the agreement provides for the making of a loan by Q to R in return for R's agreeing to repay the loan by instalments with interest. The loan money is not paid over to R but retained by Q and used to pay off the moneylenders.

*Analysis.* This is an agreement to refinance existing indebtedness of the debtor's, and if the loan by Q does not exceed £5,000 is a restricted-use credit agreement falling within section 11(1)(c).

#### Example 14

*Facts.* On payment of £1, S issues to T (an individual) a trading check under which T can spend up to £20 at any shop which has agreed, or in future agrees, to accept S's trading checks.

*Analysis.* The trading check is a credit-token falling within section 14(1)(b). The credit-token agreement is a restricted-use credit agreement within section 11(1)(b), any shop in which the credit-token is used being the "supplier". The fact that further shops may be added after the issue of the credit-token is irrelevant in view of section 11(4).

#### Example 15

*Facts.* A retailer L agrees with M (an individual) to open an account in M's name and, in return for M's promise to pay a specified minimum sum into the account each month and to pay a monthly charge for credit, agrees to allow to be debited to the account, in respect of purchases made by M from L, such sums as will not increase the debit balance at any time beyond the credit limit, defined in the agreement as a given multiple of the specified minimum sum.

*Analysis.* This agreement provides credit falling within the definition of running-account credit in section 10(1)(a). Provided the credit limit is not over £5,000, the agreement falls within section 8(2) and is a consumer credit agreement for running-account credit.

#### Example 16

*Facts.* Under an unsecured agreement, A (Credit), an associate of the A Bank, issues to B (an individual) a credit-card for use in obtaining cash on credit from A (Credit), to be paid by branches of the A Bank (acting as agent of A (Credit)), or goods or cash from suppliers or banks who have agreed to honour credit-cards issued by A (Credit). The credit limit is £30.

*Analysis.* This is a credit-token agreement falling within section 14(1)(a) and (b). It is a regulated consumer credit agreement for running-account credit. Since the credit limit does not exceed £30, the agreement is a small agreement. So far as the agreement relates to goods it is a debtor-creditor-supplier agreement within section 12(b), since it provides restricted-use credit under section 11(1)(b). So far as it relates to cash it is a debtor-creditor agreement within section 13(c) and the credit it provides is unrestricted-use credit. This is therefore a multiple agreement. In that the whole agreement falls within several of the categories of agreement mentioned in this Act, it is, by section 18(3), to be treated as an agreement in each of those categories. So far as it is a debtor-creditor-supplier agreement providing restricted-use credit it is, by section 18(2), to be treated as a separate agreement; and similarly so far as it is a debtor-creditor agreement providing unrestricted-use credit. (See also Example 22.)

#### Example 17

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

*Facts.* The manager of the C Bank agrees orally with D (an individual) to open a current account in D's name. Nothing is said about overdraft facilities. After maintaining the account in credit for some weeks, D draws a cheque in favour of E for an amount exceeding D's credit balance by £20. E presents the cheque and the Bank pay it.

*Analysis.* In drawing the cheque D, by implication, requests the Bank to grant him an overdraft of £20 on its usual terms as to interest and other charges. In deciding to honour the cheque, the Bank by implication accept the offer. This constitutes a regulated small consumer credit agreement for unrestricted-use, fixed-sum credit. It is a debtor-creditor agreement, and falls within section 74(1)(b)<sup>F11</sup>. . . . (Compare Example 18.)

#### Textual Amendments

**F11** Sch. 2 Pt. II, Example 17: words omitted (1.2.2011) by virtue of [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), **regs. 20(2), 99(1)** (with regs. 100, 101)

#### Example 18

*Facts.* F (an individual) has had a current account with the G Bank for many years. Although usually in credit, the account has been allowed by the Bank to become overdrawn from time to time. The maximum such overdraft has been is about £1,000. No explicit agreement has ever been made about overdraft facilities. Now, with a credit balance of £500, F draws a cheque for £1,300.

*Analysis.* It might well be held that the agreement with F (express or implied) under which the Bank operate his account includes an implied term giving him the right to overdraft facilities up to say £1,000. If so, the agreement is a regulated consumer credit agreement for unrestricted-use, running-account credit. It is a debtor-creditor agreement, and falls within section 74(1)(b)<sup>F12</sup>. . . . It is also a multiple agreement, part of which (i.e. the part not dealing with the overdraft), as referred to in section 18(1)(a), falls within a category of agreement not mentioned in this Act. (Compare Example 17.)

#### Textual Amendments

**F12** Sch. 2 Pt. II, Example 18: words omitted (1.2.2011) by virtue of [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), **regs. 20(3), 99(1)** (with regs. 100, 101)

#### Example 19

*Facts.* H (a finance house) agrees with J (a partnership of individuals) to open an unsecured loan account in J's name on which the debit balance is not to exceed £7,000 (having regard to payments into the account made from time to time by J). Interest is to be payable in advance on this sum, with provision for yearly adjustments. H is entitled to debit the account with interest, a "setting-up" charge, and other charges. Before J has an opportunity to draw on the account it is initially debited with £2,250 for advance interest and other charges.

*Analysis.* This is a personal running-account credit agreement (see sections 8(1) and 10(1)(a), and definition of "individual" in section 189(1)). By section 10(2) the credit limit is £7,000. By section 9(4) however the initial debit of £2,250, and any other charges later debited to the account by H, are not to be treated as credit even though time is allowed for their payment. Effect is given to this by section 10(3). Although the credit limit of £7,000 exceeds the amount (£5,000) specified in section 8(2) as the maximum for a consumer credit agreement, so that the agreement is not within section 10(3)(a), it is caught by section 10(3)(b)(i). At the beginning

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

J can effectively draw (as credit) no more than £4,750, so the agreement is a consumer credit agreement.

#### Example 20

*Facts.* K (in England) agrees with L (an individual) to bail goods to L for a period of three years certain at £2,000 a year, payable quarterly. The agreement contains no provision for the passing of the property in the goods to L.

*Analysis.* This is not a hire-purchase agreement (see paragraph (b) of the definition of that term in section 189(1)), and is capable of subsisting for more than three months. Paragraphs (a) and (b) of section 15(1) are therefore satisfied, but paragraph (c) is not. The payments by L must exceed £5,000 if he conforms to the agreement. It is true that under section 101 L has a right to terminate the agreement on giving K three months' notice expiring not earlier than eighteen months after the making of the agreement, but that section applies only where the agreement is a regulated consumer hire agreement apart from the section (see subsection (1)). So the agreement is not a consumer hire agreement, though it would be if the hire charge were say £1,500 a year, or there were a "break" clause in it operable by either party before the hire charges exceeded £5,000. A similar result would follow if the agreement by K had been a hiring agreement in Scotland.

#### Example 21

*Facts.* The P Bank decides to issue cheque cards to its customers under a scheme whereby the bank undertakes to honour cheques of up to £30 in every case where the payee has taken the cheque in reliance on the cheque card, whether the customer has funds in his account or not. The P Bank writes to the major retailers advising them of this scheme and also publicises it by advertising. The Bank issues a cheque card to Q (an individual), who uses it to pay by cheque for goods costing £20 bought by Q from R, a major retailer. At the time, Q has £500 in his account at the P Bank.

*Analysis.* The agreement under which the cheque card is issued to Q is a consumer credit agreement even though at all relevant times Q has more than £30 in his account. This is because Q is free to draw out his whole balance and then use the cheque card, in which case the Bank has bound itself to honour the cheque. In other words the cheque card agreement provides Q with credit, whether he avails himself of it or not. Since the amount of the credit is not subject to any express limit, the cheque card can be used any number of times. It may be presumed however that section 10(3)(b)(iii) will apply. The agreement is an unrestricted-use debtor-creditor agreement (by section 13(c)). Although the P Bank wrote to R informing R of the P Bank's willingness to honour any cheque taken by R in reliance on a cheque card, this does not constitute pre-existing arrangements as mentioned in section 13(c) because section 187(3) operates to prevent it. The agreement is not a credit-token agreement within section 14(1)(b) because payment by the P Bank to R, would be a payment of the cheque and not a payment for the goods.

#### Example 22

*Facts.* The facts are as in Example 16. On one occasion B uses the credit-card in a way which increases his debit balance with A (Credit) to £40. A (Credit) writes to B agreeing to allow the excess on that occasion only, but stating that it must be paid off within one month.

*Analysis.* In exceeding his credit limit B, by implication, requests A (Credit) to allow him a temporary excess (compare Example 17). A (Credit) is thus faced by B's action with the choice of treating it as a breach of contract or granting his implied request. He does the latter. If he had done the former, B would be treated as taking credit to which he was not entitled (see section 14(3)) and, subject to the terms of his contract with A (Credit), would be liable to damages for breach of contract. As it is, the agreement to allow the excess varies the original credit-token agreement by adding a new term. Under section 10(2), the new term is to be

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

disregarded in arriving at the credit limit, so that the credit-token agreement at no time ceases to be a small agreement. By section 82(2) the later agreement is deemed to revoke the original agreement and contain provisions reproducing the combined effect of the two agreements. By section 82(4), this later agreement is exempted from Part V (except section 56).

#### Example 23

*Facts.* Under an oral agreement made on 10th January, X (an individual) has an overdraft on his current account at the Y bank with a credit limit of £100. On 15th February, when his overdraft stands at £90, X draws a cheque for £25. It is the first time that X has exceeded his credit limit, and on 16th February the bank honours the cheque.

*Analysis.* The agreement of 10th January is a consumer credit agreement for running-account credit. The agreement of 15th-16th February varies the earlier agreement by adding a term allowing the credit limit to be exceeded merely temporarily. By section 82(2) the later agreement is deemed to revoke the earlier agreement and reproduce the combined effect of the two agreements. By section 82(4), Part V of this Act (except section 56) does not apply to the later agreement. By section 18(5), a term allowing a merely temporary excess over the credit limit is not to be treated as a separate agreement, or as providing fixed-sum credit. The whole of the £115 owed to the bank by X on 16th February is therefore running-account credit.

#### Example 24

*Facts.* On 1st March 1975 Z (in England) enters into an agreement with A (an unincorporated body of persons) to bail to A equipment consisting of two components (component P and component Q). The agreement is not a hire-purchase agreement and is for a fixed term of 3 years, so paragraphs (a) and (b) of section 15(1) are both satisfied. The rental is payable monthly at a rate of £2,400 a year, but the agreement provides that this is to be reduced to £1,200 a year for the remainder of the agreement if at any time during its currency A returns component Q to the owner Z. On 5th May 1976 A is incorporated as A Ltd., taking over A's assets and liabilities. On 1st March 1977, A Ltd. returns component Q. On 1st January 1978, Z and A Ltd. agree to extend the earlier agreement by one year, increasing the rental for the final year by £250 to £1,450.

*Analysis.* When entered into on 1st March 1975, the agreement is a consumer hire agreement. A falls within the definition of "individual" in section 189(1) and if A returns component Q before 1st May 1976 the total rental will not exceed £5,000 (see section 15(1)(c)). When this date is passed without component Q having been returned it is obvious that the total rental must now exceed £5,000. Does this mean that the agreement then ceases to be a consumer hire agreement? The answer is no, because there has been no change in the terms of the agreement, and without such a change the agreement cannot move from one category to the other. Similarly, the fact that A's rights and duties under the agreement pass to a body corporate on 5th May 1976 does not cause the agreement to cease to be a consumer hire agreement (see the definition of "hirer" in section 189(1)).

The effect of the modifying agreement of 1st January 1978 is governed by section 82(2), which requires it to be treated as containing provisions reproducing the combined effect of the two actual agreements, that is to say as providing that—

- (a) obligations outstanding on 1st January 1978 are to be treated as outstanding under the modifying agreement;
- (b) the modifying agreement applies at the old rate of hire for the months of January and February 1978, and
- (c) for the year beginning 1st March 1978 A Ltd. will be the bailee of component P at a rental of £1,450.

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

The total rental under the modifying agreement is £1,850. Accordingly the modifying agreement is a regulated agreement. Even if the total rental under the modifying agreement exceeded £5,000 it would still be regulated because of the provisions of section 82(3).

## SCHEDULE 3

Section 192(1).

### TRANSITIONAL AND COMMENCEMENT PROVISIONS

*Note.* Except as otherwise mentioned in this Schedule, the provisions of this Act come into operation on its passing, that is on 31st July 1974.

## PART II OF ACT

### CREDIT AGREEMENTS, HIRE AGREEMENTS AND LINKED TRANSACTIONS

#### *Regulated agreements*

- 1 (1) An agreement made before [<sup>F13</sup>1st April 1977] is not a regulated agreement within the meaning of this Act.
- (2) In this Act “prospective regulated agreement ” does not include a prospective agreement which, if made as expected, would be made before [<sup>F13</sup>1st April 1977].

#### **Textual Amendments**

**F13** Words substituted by [S.I. 1977/325](#), [art. 2 Sch. 1 para. 1](#)

#### *Linked transactions*

- 2 A transaction may be a linked transaction in relation to a regulated agreement or prospective regulated agreement even though the transaction was entered into before the day appointed for the purposes of paragraph 1.
- 3 Section 19(3) applies only to transactions entered into on or after [<sup>F14</sup>19th May 1985].

#### **Textual Amendments**

**F14** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\), 3\(a\)\(i\)](#)

#### *Total charge for credit*

- 4 Section 20 applies to consumer credit agreements whenever made.

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

### PART III OF ACT

#### LICENSING OF CREDIT AND HIRE BUSINESSES

*[<sup>F15</sup> Businesses needing a licence]*

##### Textual Amendments

**F15** Sch. 3 para. 5 substituted by virtue of S.I. 1989/1128, art. 3, Sch.

- <sup>F165</sup> (1) Section 21 does not apply to the carrying on of any description of consumer credit business or consumer hire business—
- (a) before 31st July 1989 in the case of a consumer credit business which is carried on by an individual and in the course of which only the following regulated consumer credit agreements (excluding agreements made before that date) are made, namely—
    - (i) agreements for fixed-sum credit not exceeding £30, and
    - (ii) agreements for running-account credit where the credit limit does not exceed that amount;
  - (b) before 1st October 1977 in the case of any other description of consumer credit business; and
  - (c) before 1st October 1977 in the case of any consumer hire business.
- (2) Where the person carrying on a consumer credit business or a consumer hire business applies for a licence—
- (a) before 31st July 1989 in the case of a consumer credit business to which subparagraph (1)(a) above applies, or
  - (b) before 1st October 1977 in the case of any other description of consumer credit business or in the case of any consumer hire business,
- he shall be deemed to have been granted on 31st July 1989 or 1st October 1977, as the case may be, a licence covering that business and continuing in force until the licence applied for is granted or, if the application is refused, until the end of the appeal period.]

##### Textual Amendments

**F16** Sch. 3 para. 5 substituted by virtue of S.I. 1989/1128, art. 3, Sch.

#### *The register*

- 6 Sections 35 and 36 come into operation on [<sup>F17</sup>2nd February 1976].

##### Textual Amendments

**F17** Words substituted by S.I. 1975/2123, art. 3 (a)

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

*Enforcement of agreements made by unlicensed trader*

[<sup>F187</sup> Section 40 does not apply to a regulated agreement made in the course of any business before the day specified or referred to in paragraph 5(1) in relation to the description of business in question.]

**Textual Amendments**

**F18** Sch. 3 para. 7 substituted by S.I. 1977/325, Sch. 1 para. 3

**PART IV OF ACT**

**SEEKING BUSINESS**

*Advertisements*

8 Part IV does not apply to any advertisement published before [<sup>F19</sup>6th October 1980].

**Textual Amendments**

**F19** Words substituted by S.I. 1980/50, art. 3

*Canvassing*

9 Section 49 comes into operation on [<sup>F20</sup>1st October 1977].

**Textual Amendments**

**F20** Words substituted by S.I. 1977/802, para. 3

*Circulars to minors*

10 Section 50 comes into operation on [<sup>F21</sup>1st July 1977].

**Textual Amendments**

**F21** Words substituted by S.I. 1977/802, para. 3

*Unsolicited credit-tokens*

11 (1) Section 51(1) does not apply to the giving of a credit-token before [<sup>F22</sup>1st July 1977].  
(2) In section 51(3), “agreement” means an agreement whenever made.

**Textual Amendments**

**F22** Words substituted by S.I. 1977/802, para. 3

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## PART V OF ACT

### ENTRY INTO CREDIT OR HIRE AGREEMENTS

#### *Antecedent negotiations*

- 12 (1) Section 56 applies to negotiations in relation to an actual or prospective regulated agreement where the negotiations begin after [<sup>F23</sup>16th May 1977].
- (2) In section 56(3), “agreement”, where it first occurs, means an agreement whenever made.

#### Textual Amendments

**F23** Words substituted by [S.I. 1977/325](#), [art. 2 Sch. 1 para. 1](#)

#### *General*

- 13 Sections 57 to 59, 61 to 65 and 67 to 73 come into operation on [<sup>F24</sup>19th May 1985].

#### Textual Amendments

**F24** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\), 3\(a\)\(i\)](#)

- 14 Section 66 comes into operation on [<sup>F25</sup>19th May 1985].

#### Textual Amendments

**F25** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\), 3\(a\)\(i\)](#)

## PART VI OF ACT

### MATTERS ARISING DURING CURRENCY OF CREDIT OR HIRE AGREEMENTS

#### *Liability of creditor for breaches by supplier*

- 15 Section 75 comes into operation on [<sup>F26</sup>1st July 1977 but only in relation to regulated agreements made on or after that day].

#### Textual Amendments

**F26** Words substituted by [S.I. 1977/802](#), [para. 3](#)

#### *Duty to give notice*

- 16 (1) Section 76 comes into operation on [<sup>F27</sup>19th May 1985].
- (2) Section 76 applies to an agreement made before [<sup>F27</sup>19th May 1985] where the agreement would have been a regulated agreement if made on that day.



*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

**Textual Amendments**

**F27** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

*Duty to give information*

- 17 (1) Sections 77 to 80 come into operation on [<sup>F28</sup>19th May 1985].
- (2) Sections 77 to 79 apply to an agreement made before [<sup>F28</sup>19th May 1985] where the agreement would have been a regulated agreement if made on that day.

**Textual Amendments**

**F28** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

*Appropriation of payments*

- 18 Section 81 comes into operation on [<sup>F29</sup>19th May 1985].

**Textual Amendments**

**F29** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

*Variation of agreements*

- 19 Section 82 comes into operation on [<sup>F30</sup>1st April 1977].

**Textual Amendments**

**F30** Words substituted by [S.I. 1977/325](#), [art. 2 Sch. 1 para. 1](#)

*Misuse of credit facilities*

- 20 (1) Sections 83 and 84 come into operation on [<sup>F31</sup>19th May 1985].
- (2) Subject to sub-paragraph (4), section 83 applies to an agreement made before [<sup>F31</sup>19th May 1985] where the agreement would have been a regulated consumer credit agreement if made on that day.
- (3) Subject to sub-paragraph (4), section 84 applies to an agreement made before [<sup>F31</sup>19th May 1985] where the agreement would have been a credit-token agreement if made on that day.
- (4) Sections 83 and 84 do not apply to losses arising before [<sup>F31</sup>19th May 1985].
- (5) Section 84(4) shall be taken to be satisfied in relation to an agreement made before [<sup>F31</sup>19th May 1985] if, within 28 days after that day, the creditor gives notice to the debtor of the name, address and telephone number of a person stated in that notice to be the person to whom notice is to be given under section 84(3).

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

**Textual Amendments**

**F31** Words substituted by [S.I. 1983/1551](#), **arts. 2(1)**, 3(a)(i)

*Duty on issue of new credit-tokens*

- 21 (1) Section 85 comes into operation on [<sup>F32</sup>19th May 1985].
- (2) Section 85 applies to an agreement made before [<sup>F32</sup>19th May 1985] where the agreement would have been a regulated agreement if made on that day.

**Textual Amendments**

**F32** Words substituted by [S.I. 1983/1551](#), **arts. 2(1)**, 3(a)(i)

*Death of debtor or hirer*

- 22 (1) Section 86 comes into operation on [<sup>F33</sup>19th May 1985].
- (2) Section 86 applies to an agreement made before [<sup>F33</sup>19th May 1985] where the agreement would have been a regulated agreement if made on that day.

**Textual Amendments**

**F33** Words substituted by [S.I. 1983/1551](#), **arts. 2(1)**, 3(a)(i)

**PART VII OF ACT**

DEFAULT AND TERMINATION

*Default notices*

- 23 Sections 87 to 89 come into operation on [<sup>F34</sup>19th May 1985].

**Textual Amendments**

**F34** Words substituted by [S.I. 1983/1551](#), **arts. 2(1)**, 3(a)(i)

*Retaking of goods and land*

- 24 Sections 90 and 91 come into operation on [<sup>F35</sup>19th May 1985].

**Textual Amendments**

**F35** Words substituted by [S.I. 1983/1551](#), **arts. 2(1)**, 3(a)(i)

- 25 Section 92 comes into operation on [<sup>F36</sup>19th May 1985].

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

**Textual Amendments**

**F36** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

*Interest on default*

26 Section 93 comes into operation on [<sup>F37</sup>19th May 1985].

**Textual Amendments**

**F37** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

*Early payment by debtor*

27 Sections 94 to 97 come into operation on [<sup>F38</sup>19th May 1985].

**Textual Amendments**

**F38** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

*Termination of agreements*

28 Section 98 comes into operation on [<sup>F39</sup>19th May 1985].

**Textual Amendments**

**F39** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

29 Section 99 comes into operation on [<sup>F40</sup>19th May 1985].

**Textual Amendments**

**F40** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

30 Section 100 comes into operation on [<sup>F41</sup>19th May 1985].

**Textual Amendments**

**F41** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

31 Section 101 comes into operation on [<sup>F42</sup>19th May 1985].

**Textual Amendments**

**F42** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

32 Section 102 comes into operation on [<sup>F43</sup>19th May 1985].

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

**Textual Amendments**

**F43** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

33 Section 103 comes into operation on [<sup>F44</sup>19th May 1985].

**Textual Amendments**

**F44** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

34 Section 104 comes into operation on [<sup>F45</sup>19th May 1985].

**Textual Amendments**

**F45** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

*Old agreements*

35 Part VII (except sections 90, 91, 93 and 99 to 102 and 104) applies to an agreement made before [<sup>F46</sup>19th May 1985] where the agreement would have been a regulated agreement if made on that day.

**Textual Amendments**

**F46** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

**PART VIII OF ACT**

SECURITY

*General*

36 Section 105 comes into operation on [<sup>F47</sup>19th May 1985].

**Textual Amendments**

**F47** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

37 (1) Sections 107 to 110 come into operation on [<sup>F48</sup>19th May 1985].

(2) Sections 107 to 110 apply to an agreement made before [<sup>F48</sup>19th May 1985] where the agreement would have been a regulated agreement if made on that day.

**Textual Amendments**

**F48** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

38 (1) Section 111 comes into operation on [<sup>F49</sup>19th May 1985].

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(2) Section 111 applies to an agreement made before [<sup>F49</sup>19th May 1985] where the agreement would have been a regulated agreement if made on that day.

**Textual Amendments**

**F49** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

*Pledges*

39 Sections 114 to 122 come into operation on [<sup>F50</sup>19th May 1985 but only in respect of articles taken in pawn under a regulated consumer credit agreement].

**Textual Amendments**

**F50** Words substituted by [S.I. 1983/1551](#), [arts. 2\(2\)](#), 3(a)(ii)

*Negotiable instruments*

40 Sections 123 to 125 come into operation on [<sup>F51</sup>19th May 1985].

**Textual Amendments**

**F51** Words substituted by [S.I. 1984/436](#), [art. 3](#)

*Land mortgages*

41 Section 126 comes into operation on [<sup>F52</sup>19th May 1985].

**Textual Amendments**

**F52** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

**PART IX OF ACT**

**JUDICIAL CONTROL**

42 Sections 137 to 140 (extortionate credit bargains) come into operation on [<sup>F53</sup>16th May 1977], and apply to agreements and transactions whenever made.

**Textual Amendments**

**F53** Words substituted by [S.I. 1977/325](#), [art. 2 Sch. 1 para. 1](#)

43 Subject to paragraph 42, Part IX comes into operation on [<sup>F54</sup>19th May 1985].

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

### Textual Amendments

**F54** Words substituted by [S.I. 1983/1551](#), [arts. 2\(1\)](#), 3(a)(i)

## PART X OF ACT

### ANCILLARY CREDIT BUSINESSES

#### *Licensing*

- <sup>F55</sup>44 (1) Section 21(1) does not apply (by virtue of section 147(1)) to the carrying on of any ancillary credit business before 3rd August 1976 in the case of any business so far as it comprises or relates to—
- (a) debt-adjusting,
  - (b) debt-counselling,
  - (c) debt-collecting, or
  - (d) the operation of a credit reference agency.
- (1A) Section 21(1) does not apply (by virtue of section 147(1)) to the carrying on of any ancillary credit business before 1st July 1978 so far as it comprises or relates to credit brokerage, not being a business which is carried on by an individual and in the course of which introductions are effected only of individuals desiring to obtain credit—
- (a) under debtor-creditor-supplier agreements which fall within section 12(a) and where, in the case of any such agreement—
    - (i) the person carrying on the business would be willing to sell the goods which are the subject of the agreement to the debtor under a transaction not financed by credit, and
    - (ii) The amount of credit does not exceed £30; and
  - (b) under debtor-creditor-supplier agreements which fall within section 12(b) or
  - (c) and where, in the case of any such agreement—
    - (i) the person carrying on the business is the supplier,
    - (ii) the creditor is a person referred to in section 145(2)(a)(i), and
    - (iii) the amount of credit or, in the case of an agreement for running-account credit, the credit limit does not exceed £30.
- (1B) Section 21(1) does not apply (by virtue of section 147(1)) to the carrying on of any ancillary credit business before the day appointed for the purposes of this paragraph in the case of any description of ancillary credit business in relation to which no day is appointed under the foregoing provisions of this paragraph.
- (2) Where the person carrying on an ancillary credit business applies for a licence before—
- (a) 3rd August 1976 in the case of an ancillary credit business of a description to which sub-paragraph (1) above applies;
  - (b) 1st July 1978 in the case of an ancillary credit business of a description to which sub-paragraph (1A) above applies; or
  - (c) the day appointed for the purposes of this paragraph in the case of an ancillary credit business to which sub-paragraph (1B) above applies,

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

he shall be deemed to have been granted on 3rd August 1976, 1st July 1978 or the day so appointed, as the case may be, a licence covering the description of ancillary credit business in question and continuing in force until the licence applied for is granted or, if the application is refused, until the end of the appeal period.]

#### Textual Amendments

**F55** Sch. 3 para. 44 substituted by S.I. 1977/2163, art. 2, Sch.

#### *Enforcement of agreements made by unlicensed trader*

- [<sup>F56</sup>45 Section 148(1) does not apply to an agreement made in the course of any business before 3rd August 1976 in the case of any business so far as it comprises or relates to—
- (a) debt-adjusting,
  - (b) debt-counselling,
  - (c) debt-collecting, or
  - (d) the operation of a credit reference agency,
- or before 1st July 1978 in the case of an ancillary credit business of a description to which sub-paragraph (1A) of paragraph 44 applies or before the day appointed for the purposes of that paragraph in the case of an ancillary credit business to which sub-paragraph (1B) of that paragraph applies.]

#### Textual Amendments

**F56** Sch. 3 para. 45 substituted by S.I. 1977/2163, art. 2, Sch.

#### *Introductions by unlicensed credit-broker*

- [<sup>F57</sup>46 Section 149 does not apply to a regulated agreement made on an introduction effected in the course of any business if the introduction was effected before 1st July 1978 in the case of an ancillary credit business to which sub-paragraph (1A) of paragraph 44 applies or before the day appointed for the purposes of that paragraph in the case of an ancillary credit business to which sub-paragraph (1B) of that paragraph applies.]

#### Textual Amendments

**F57** Sch. 3 para. 46 substituted by S.I. 1977/2163, art. 2, Sch.

#### *Advertisements*

- 47 Subsections (1) and (2) of section 151 do not apply to any advertisement published before [<sup>F58</sup>6th October 1980].

#### Textual Amendments

**F58** Words substituted by S.I. 1980/50, art. 3

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

*Credit reference agencies*

48 Sections 157 and 158 do not apply to a request received before [<sup>F59</sup>16th May 1977].

**Textual Amendments**

**F59** Words substituted by [S.I. 1977/325](#), [art. 2 Sch. 1 para. 1](#)

**PART XII OF ACT**

SUPPLEMENTAL

*Interpretation*

- 49 (1) In the case of an agreement—
- (a) which was made before [<sup>F60</sup>19th May 1985], and
  - (b) to which (by virtue of paragraph 17(2)) section 78(4) applies,
- section 185(2) shall have effect as respects a notice given before that day in relation to the agreement (whether given before or after the passing of this Act) as it would have effect if section 78(4) had been in operation when the notice was given.
- (2) Paragraph (1) applies to an agreement made on or after [<sup>F60</sup>19th May 1985] to provide credit on a current account opened before that day as it applies to an agreement made before that day.

**Textual Amendments**

**F60** Words substituted by [S.I. 1983/1551](#), [art. 3\(b\)](#)

- 50 In section 189, the definition of “local authority ” shall have effect in relation to matters arising before 16th May 1975 as if for the words “regional, islands or district council ” there were substituted “a county council or town council ”.

SCHEDULE 4.

Section 192.

MINOR AND CONSEQUENTIAL AMENDMENTS

**PART I**

UNITED KINGDOM

*<sup>MI</sup> Bills of Sale Act (1878) Amendment Act 1882*

**Marginal Citations**

**M1** [1882 c.43.](#)



*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

<sup>x1</sup><sub>1</sub> The following section shall be inserted after section 7

**“7A Default under consumer credit agreements.**

- (1) Paragraph (1) of section 7 of this Act does not apply to a default relating to a bill of sale given by way of security for the payment of money under a regulated agreement to which section 87(1) of the Consumer Credit Act 1974 applies —
- (a) unless the restriction imposed by section 88(2) of that Act has ceased to apply to the bill of sale ; or
  - (b) if, by virtue of section 89 of that Act, the default is to be treated as not having occurred.
- (2) Where paragraph (1) of section 7 of this Act does apply in relation to a bill of sale such as is mentioned in subsection (1) of this section, the proviso to that section shall have effect with the substitution of “county court ” for “High Court ”.”

**Editorial Information**

**X1** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

*M2 Factors Act 1889*

**Marginal Citations**

**M2** 1889 c 45.

- <sup>x2</sup><sub>2</sub> At the end of section 9 insert “For the purposes of this section—
- (i) the buyer under a conditional sale agreement shall be deemed not to be a person who has bought or agreed to buy goods, and
  - (ii) “conditional sale agreement ” means an agreement for the sale of goods which is a consumer credit agreement within the meaning of the Consumer Credit Act 1974 under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled.”

**Editorial Information**

**X2** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

3, 4. . . . . F61

**Textual Amendments**

**F61** Sch. 4 Pt. I paras. 3, 4 repealed by Sale of Goods Act 1979 (c. 54, SIF 109:1), s. 63, Sch. 3

*M3 Law of Distress Amendment Act 1908*

**Marginal Citations**

**M3** 1908 c. 53.

<sup>x35</sup> The following section shall be inserted after section 4—

**“4A Hire purchase etc. agreements.**

(1) Goods—

- (a) bailed under a hire-purchase agreement or a consumer hire agreement, or
- (b) agreed to be sold under a conditional sale agreement,

are, where the relevant agreement has not been terminated, excluded from the application of this Act except during the period between the service of a default notice under the Consumer Credit Act 1974 in respect of the goods and the date on which the notice expires or is earlier complied with.

(2) Goods comprised in a bill of sale are excluded from the application of this Act except, during the period between service of a default notice under the Consumer Credit Act 1914 in respect of goods subject to a regulated agreement under which a bill of sale is given by way of security and the date on which the notice expires or is earlier complied with.

(3) In this section—

“conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled ;

“consumer hire agreement ” has the meaning given by section 15 of the Consumer Credit Act 1974.

“hire-purchase agreement ” means an agreement, other than a conditional sale agreement, under which—

- (a) goods are bailed in return for periodical payments by the person to whom they are bailed, and

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
- (i) the exercise of an option to purchase by that person,
  - (ii) the doing of any other specified act by any party to the agreement,
  - (iii) the happening of any other specified event; and
- “regulated agreement ” has the meaning given by section 189(1) of the Consumer Credit Act 1974.”

#### Editorial Information

**X3** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### *M4* Bankruptcy Act 1914

#### Marginal Citations

**M4** 1914 c. 59.

**[F62X46** The following section shall be inserted after section 38—

#### “ Hire purchase etc. agreement.

- (1) Goods—
- (a) bailed under a hire-purchase agreement or a consumer hire agreement, or
  - (b) agreed to be sold under a conditional sale agreement, or
  - (c) subject to a regulated agreement under which a bill of sale is given by way of security.

shall not be treated as the property of the bankrupt during the period between the service of a default notice under the Consumer Credit Act 1974 in respect of the goods and the date on which the notice expires or is earlier complied with.

- (2) In this section—

“conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled;

“consumer hire agreement ” has the meaning given by section 15 of the Consumer Credit Act 1974;

“hire-purchase agreement ” means an agreement, other than a conditional sale agreement, under which—

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) goods are bailed in return for periodical payments by the person to whom they are bailed, and
- (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
  - (i) the exercise of an option to purchase by that person,
  - (ii) the doing of any other specified act by any party to the agreement,
  - (iii) the happening of any other specified event; and “regulated agreement” has the meaning given by section 189(1) of the Consumer Credit Act 1974.”]

#### Editorial Information

**X4** The text of Sch. 4 Pt. I paras. 6, 18 and Sch. 4 Pt. II para. 38 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### Textual Amendments

**F62** Sch. 4 Pt. I para. 6 repealed (E.W.) by [Insolvency Act 1985 \(c. 65, SIF 66\)](#), s. 235, Sch. 9 para. 11, [Sch. 10 Pt. III](#)

#### <sup>M5</sup> *Compensation (Defence) Act 1939*

#### Marginal Citations

**M5** 1939 c. 75.

<sup>x57</sup> In section 13 after “hire-purchase agreement ” insert “or a conditional sale agreement ”.

#### Editorial Information

**X5** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

<sup>x68</sup> In section 17(1)—

(1) After the definition of “aircraft ” insert—

“ “conditional sale agreement ” means an agreement for the sale of goods which is a consumer credit agreement within the meaning of the Consumer Credit Act 1974 under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled ;” , and

(2) for the definition of “hire-purchase agreement ” substitute—

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

“hire-purchase agreement” means an agreement which is a consumer credit agreement within the meaning of the Consumer Credit Act 1974, other than a conditional sale agreement, under which—

- (a) goods are bailed or (in Scotland) hired in return for periodical payments by the person to whom they are bailed or hired, and
- (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
  - (i) the exercise of an option to purchase by that person,
  - (ii) the doing of any other specified act by any party to the agreement,
  - (iii) the happening of any other specified event ;”

**Editorial Information**

**X6** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

*M6* **Liability for War Damage (Miscellaneous Provisions) Act 1939**

**Marginal Citations**

**M6** 1939 c. 102.

- <sup>x79</sup> In section 1(3), for paragraphs (a) and (b) substitute—
- “(a) a hire-purchase agreement or a conditional sale agreement within the meaning of the Consumer Credit Act 1974 being (in either case) a consumer credit agreement as defined by that Act ; or
  - (b) a consumer hire agreement as defined by that Act.”

**Editorial Information**

**X7** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

10 ..... F63

**Textual Amendments**

**F63** Sch. 4 Pt. I para. 10 repealed by Statute Law (Repeals) Act 1986 (c. 12), s. 1(1), Sch. 1 Pt. II

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

### *M<sup>7</sup>Rag Flock and Other Filing Materials Act 1951*

#### Marginal Citations

M7 1951 c. 63.

F64<sub>11</sub> .....

#### Textual Amendments

F64 Sch. 4 para. 11 repealed (6.1.1997) by S.I. 1996/ 3097, arts. 1, 3(1)(b)

### *M<sup>8</sup>Reserve and Auxiliary Forces (Protection of Civil Interest) Act 1951*

#### Marginal Citations

M8 1951 c. 65.

x<sup>8</sup><sub>12</sub> In section 4 for subsections (4), (5) and (6), substitute—

“(4) Where the appropriate court refuses leave under section 4(2) of this Act to take possession of goods subject to a hire-purchase agreement or a conditional sale agreement or to execute a judgment or order for delivery of such goods, or gives leave subject to restrictions and conditions, and the person to whom the goods are bailed, or, as the case may be, the buyer, before possession is taken or execution on the judgment or order completed, pays the total price, the creditor’s title to the goods shall, notwithstanding any failure to pay the total price at the time required by the agreement, vest in that person.

(5) Where the creditor under a hire-purchase agreement or a conditional sale agreement has taken possession of the goods bailed or agreed to be sold under it, the appropriate court on an application under section 3(1)(c) of this Act, may, if it thinks fit, deal with the case as if the creditor were proceeding to take possession of the goods and, if it makes an order under that paragraph, may direct accordingly that the goods be restored to the person to whom they were bailed or, as the case may be, the buyer ; and if, after the creditor has taken possession of the goods, notice is given under that paragraph with respect to them, he shall not, so long as the notice is in force or any application in pursuance of the notice is undisposed of, deal with the goods in such a way as to prejudice the powers of the appropriate court under this subsection.”

#### Editorial Information

X8 The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

x<sup>9</sup><sub>13</sub> For section 10 substitute—

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

#### “10 Property in goods subject to hire-purchase agreement.

- (1) Where the appropriate court refuses leave under section 8(3) of this Act to take or resume possession of goods subject to a hire-purchase agreement or a conditional sale agreement or to do diligence on any decree for the delivery of such goods, or gives leave subject to restrictions and conditions, and the person to whom they are hired, or, as the case may be, the buyer before possession is taken or resumed or diligence is done, pays the total price, the creditor’s title to the goods shall, notwithstanding any failure to pay the total price at the time required by the agreement, vest in that person.
- (2) Where the creditor under a hire-purchase agreement or a conditional sale agreement has taken possession of the goods hired or agreed to be sold under it, the appropriate court on an application under section 9(1)(C) of this Act may, if it thinks fit, deal with the case as if the creditor were proceeding to take possession of the goods and, if it makes an order under that paragraph, may direct accordingly that the goods be restored to the person to whom they were hired or, as the case may be, the buyer ; and if, after the creditor has taken possession of the goods, notice is given under that paragraph with respect to them, he shall not, so long as the notice is in force or any application in pursuance of the notice is undisposed of, deal with the goods in such a way as to prejudice the powers of the appropriate court under this subsection”.

#### Editorial Information

**X9** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

<sup>x10</sup>14 In section 64(I)—

(1) after the definition of “compulsory national service ” insert—

“ “conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled ;

“creditor ” means the person by whom goods are bailed or (in Scotland) hired under a hire-purchase agreement or, as the case may be, the seller under a conditional sale agreement, or the person to whom his rights and duties have passed by assignment or operation of the law ;

“hire-purchase agreement ” means an agreement, other than a conditional sale agreement, under which—

(a) goods are bailed or (in Scotland) hired in return for periodical payments by the person to whom they are bailed or hired, and

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
  - (i) the exercise of an option to purchase by that person,
  - (ii) the doing of any other specified act by any party to the agreement,
  - (iii) the happening of any other specified event ;”.

(2) After the definition of “short period of training ” insert—

“ “total price ” means the total sum payable by the person to whom goods are bailed or hired under a hire-purchase agreement or, as the case may be, the buyer under a conditional sale agreement including any sum payable on the exercise of an option to purchase but excluding any sum payable as a penalty or as compensation or damages for a breach of the agreement”.

**Editorial Information**

**X10** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

*M9 Clean Air Act 1956*

**Marginal Citations**

**M9** 1956 c. 52.

F65 15 .....

**Textual Amendments**

**F65** Sch. 4 para. 15 repealed (E.W.S.) (27.8.1993) by 1993 c. 11, ss. 67(3), 68(2), Sch. 6 .

F66 16 .....

**Textual Amendments**

**F66** Sch. 4 para. 16 repealed (E.W.S.) (27.8.1993) by 1993 c. 11, ss. 67(3), 68(2) Sch. 6.

*M10 Restrictive Trade Practices Act 1956*

**Marginal Citations**

**M10** 1956 c. 68.

X11 17 For section 26(3) substitute—



*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

“(3) In this Part of this Act any reference to selling goods includes a reference to bailing or (in Scotland) hiring goods under a hire-purchase, agreement or to agreeing to sell the goods under a conditional sale agreement.

In this subsection—

- (1) “conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled; and
- (2) “hire-purchase agreement ” means an agreement, other than a conditional sale agreement, under which—
  - (a) goods are bailed or (in Scotland) hired in return for periodical payments by the person to whom they are bailed or hired, and
  - (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
    - (i) the exercise of an option to purchase by that person,
    - (ii) the doing of any other specified act by any party to the agreement,
    - (iii) the happening of any other specified event.”

#### Editorial Information

**X11** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### *M11 Housing Act 1957*

#### Marginal Citations

**M11** 1957 c. 56.

[<sup>F67X12</sup>18 For section 94 substitute—

#### “ Power to provide furniture.

A local authority may fit out, furnish and supply any house erected, converted or acquired by them under section 92 of this Act with all requisite furniture, fittings and conveniences and may sell, or supply under a hire-purchase agreement or a conditional sale agreement, furniture to the occupants of houses provided by the local authority and, for that purpose may buy furniture. In this subsection—

- (1) “conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled; and

- (2) “hire-purchase agreement ” means an agreement, other than a conditional sale agreement, under which—
- (a) goods are bailed in return for periodical payments by the person to whom they are bailed, and
  - (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
    - (i) the exercise of an option to purchase by that person,
    - (ii) the doing of any other specified act by any party to the agreement,
    - (iii) the happening of any other specified event.”]

**Editorial Information**

**X12** The text of Sch. 4 Pt. I paras. 6, 18 and Sch. 4 Pt. II para. 38 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

**Textual Amendments**

**F67** Sch. 4 Pt. I para. 18 repealed (E.W.) by [Housing \(Consequential Provisions\) Act 1985 \(c. 71, SIF 61\)](#), s. 3, **Sch. 1 Pt. I**

*M12 County Courts Act 1959*

**Marginal Citations**

**M12** 1959 c. 22.

**F68** 19 .....

**Textual Amendments**

**F68** Sch. 4 para. 19 repealed (5.11.1993) by [1993 c. 50, s. 1\(1\)](#), **Sch. 1, Pt. IX** Group 1.

20, 21. .... **F69**

**Textual Amendments**

**F69** Sch. 4 Pt. I paras. 20, 21 repealed by [Consumer Safety Act 1978 \(c. 38, SIF 109:1\)](#), s. 12(2), **Sch. 3**

*Hire Purchase Act 1964*

**X13** 22 For Part III substitute the following (which reproduces the existing provisions of that Part subject only to changes in terminology)—

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

### “PART III

#### TITLE TO MOTOR VEHICLES ON HIRE- PURCHASE OR CONDITIONAL SALE

##### **Protection of purchasers of motor vehicles.**

- 27 (1) This section applies where a motor vehicle has been bailed or (in Scotland) hired under a hire-purchase agreement, or has been agreed to be sold under a conditional sale agreement, and, before the property in the vehicle has become vested in the debtor, he disposes of the vehicle to another person.
- (2) Where the disposition referred to in subsection (1) above is to a private purchaser, and he is a purchaser of the motor vehicle in good faith without notice of the hire-purchase or conditional sale agreement (the “relevant agreement”) that disposition shall have effect as if the creditor’s title to the vehicle has been vested in the debtor immediately before that disposition.
- (3) Where the person to whom the disposition referred to in subsection (1) above is made (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 (the “first private purchaser”) is a purchaser of the vehicle in good faith without notice of the relevant agreement, the disposition of the vehicle to the first private purchaser shall have effect as if the title of the creditor to the vehicle had been vested in the debtor immediately before he disposed of it to the original purchaser.
- (4) Where, in a case within subsection (3) above—
- (a) the disposition by which the first private purchaser becomes a purchaser of the motor vehicle in good faith without notice of the relevant agreement is itself a bailment or hiring under a hire-purchase agreement, and
  - (b) the person who is the creditor in relation to that agreement disposes of the vehicle to the first private purchaser, or a person claiming under him, by 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) above (whether or not the person to whom it is made is a purchaser in good faith without notice of the relevant agreement) shall as well as the disposition referred to in paragraph (a) above, have effect as mentioned in subsection (3) above.
- (5) The preceding provisions of this section apply—
- (a) notwithstanding anything in section 21 of the Sale of Goods Act 1893 (sale of goods by a person 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.
- (6) Nothing in this section shall exonerate the debtor from any liability (whether criminal or civil) to which he would be subject apart from this section ; and,

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

in a case where the debtor 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.

**Presumptions relating to dealing with motor vehicles.**

28 (1) Where in any proceedings (whether criminal or civil) relating to a motor vehicle it is proved—

- (a) that the vehicle was bailed or (in Scotland) hired 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 without notice of the hire-purchase or conditional sale agreement (the “relevant agreement”),

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 subsection (1)(b) above (the “relevant purchaser”) was made by the debtor.

(3) If it is proved that that disposition was not made by the debtor, then it shall be presumed for those purposes, unless the contrary is proved—

- (a) that the debtor disposed of the vehicle to a private purchaser purchasing in good faith without notice of the relevant agreement, and
- (b) that the relevant purchaser is or was a person claiming under the person to whom the debtor 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 debtor, and that the person to whom the debtor disposed of the vehicle (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 without notice of the relevant agreement, and
- (b) that the relevant purchaser is or was a person claiming under the original purchaser.

(5) Without prejudice to any other method 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 (1) In this Part of this Act—

“conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled ;

“creditor ” means the person by whom goods are bailed or (in Scotland) hired under a hire-purchase agreement or as the case may be, the seller under a conditional sale agreement, or the person to whom his rights and duties have passed by assignment or operation of law ;

“disposition ” means any sale or contract of sale (including a conditional sale agreement), any bailment or (in Scotland) hiring 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 ” means an agreement, other than a conditional sale agreement, under which—

- (a) goods are bailed or (in Scotland) hired in return for periodical payments by the person to whom they are bailed or hired, and
- (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
  - (i) the exercise of an option to purchase by that person,
  - (ii) the doing of any other specified act by any party to the agreement,
  - (iii) the happening of any other specified events ; and

“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 bailing or (in Scotland) hiring 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 such agreement.
- (4) In this Part of this Act the “debtor ” in relation to a motor vehicle which has been bailed or hired under a hire-purchase agreement, or, as the case may be, agreed to be sold under a conditional sale agreement, means the person

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

who at the material time (whether the agreement has before that time been terminated or not) either—

- (a) is the person to whom the vehicle is bailed or hired under that agreement, or
- (b) is, in relation to the agreement, the buyer,

including a person who at that time is, by virtue of section 130(4) of the Consumer Credit Act 1974 treated as a bailee or (in Scotland) a custodian of the vehicle.

- (5) In this Part of this Act any reference to the title of the creditor to a motor vehicle which has been bailed or (in Scotland) hired under a hire-purchase agreement, or agreed to be sold under a conditional sale agreement, and is disposed of by the debtor, 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 creditor in relation to the agreement.”.

#### Editorial Information

**X13** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### *M13 Emergency Laws (Re-enactment and Repeals) Act 1964*

#### Marginal Citations

**M13** 1964 c. 60

<sup>x14</sup>23 In section 1—

- (1) In subsection (1) for “or credit-sale agreements, or under agreements for letting on hire ” substitute “conditional sale agreements, credit-sale agreements or hire agreements ”

- (2) For subsection (2) substitute—

“(2) In this section —

“conditional sale agreement ” means an agreement for the sale of any article under which the purchase price, or part of it is payable by instalments, and the property in the article is to remain in the seller (notwithstanding that the buyer is to be in possession of the article) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled ;

“credit-sale agreement ” means an agreement for the sale of any article, under which the purchase price or part of it is payable by instalments, but which is not a conditional sale agreement ;

“hire-purchase agreement ” means an agreement, other than a conditional sale agreement under which—

- (a) an article is bailed or (in Scotland) hired in return for periodical payments by the person to whom it is bailed or hired, and

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(b) the property in the article will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—

- (i) the exercise of an option by that person
- (ii) the doing of any other specified act by any party to the agreement ;
- (iii) the happening of any other specified event; and

“hire agreement ” means an agreement for the bailment or (in Scotland) the hiring of an article which is not a hire-purchase agreement.”

#### Editorial Information

**X14** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### *M14* Trading Stamps Act 1964

#### Marginal Citations

**M14** 1964 c. 71.

<sup>x15</sup>24

[<sup>F70</sup>In section 2, for subsection (1) substitute—

- (“1) No person shall after the coming into force of this section issue any trading stamp, or cause any trading stamp to be issued, or deliver any trading stamp to any person in connection with the sale of any goods, the bailment or (in Scotland) the hiring of any goods under a hire-purchase agreement or the performance of any services, unless such trading stamp bears on its face in clear and legible characters a value expressed in or by reference to current coin of the realm.”]

#### Editorial Information

**X15** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### Textual Amendments

**F70** Sch. 6 para. 24 repealed (E.W.S.) (6.4.2005) by [The Regulatory Reform \(Trading Stamps\) Order 2005](#) (S.I. 2005/871), art. 6, Sch.

<sup>x16</sup>25

[<sup>F71</sup>In section 3, for subsection (4) substitute—

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

“(4) In this section “redeemable trading stamps ” means trading stamps delivered after the coming into force of this section in accordance with a trading stamp scheme on or in connection with either—

- (a) the purchase of any goods,
- (b) the bailment or (in Scotland) the hiring of any goods under a hire-purchase, agreement, or
- (c) the obtaining of any services for money,

and “the holder ”, in relation to such a trading stamp, means the person to whom it was so delivered or any person who holds it without notice of any defect in title.”]

#### Editorial Information

**X16** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### Textual Amendments

**F71** Sch. 6 para. 25 repealed (E.W.S.) (6.4.2005) by [The Regulatory Reform \(Trading Stamps\) Order 2005 \(S.I. 2005/871\)](#), art. 6, [Sch.](#)

<sup>x17</sup>26

[<sup>F72</sup>In section 10(1)—

(1) after the definition of “cash value ” insert—

“ “conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled;”, and

(2) after the definition of “goods ” insert—

“ “hire-purchase agreement ” means an agreement, other than a conditional sale agreement, under which—

- (a) goods are bailed or (in Scotland) hired in return for periodical payments by the person to whom they are bailed or hired, and
- (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
  - (i) the exercise of an option to purchase by that person,
  - (ii) the doing of any other specified act by any party to the agreement,
  - (iii) the happening of any other specified event;”,

(3) For the definition of “trading stamp ” substitute—

“ “trading stamp ” means a stamp which is, or is intended to be, delivered to any person on or in connection with either—



*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (i) the purchase of any goods, or
  - (ii) the bailment or (in Scotland) the hiring of any goods under a hire-purchase agreement,
- (other than the purchase of a newspaper or other periodical of which the stamp forms part or in which it is contained) and is, or is intended to be, redeemable (whether singly or together with other such stamps) by that or some other person:

Provided that a stamp shall not be deemed to be a trading stamp if—

- (a) it is delivered or is intended to be delivered to a person (in this definition called “the purchaser”) on or in connection with the purchase of any goods by the purchaser, or the bailment or (in Scotland) the hiring to him of any goods, and
- (b) it is intended to be, and is not, redeemable from any person other than—
  - (i) the person (in this definition called “the seller”) from whom the purchaser purchased those goods, or who bailed or hired those goods to him, or
  - (ii) any person from whom the seller (whether directly or indirectly) acquired those goods, and
- (c) in the case where a business is carried on by six or more retail establishments, the stamp is one of a kind obtainable at no more than six of those retail establishments, and not obtainable by the Public elsewhere, and the arrangements under which it is redeemable are entirely separate from arrangements under which any other stamps, whether trading stamps or not, are redeemable,

and references in this definition to the purchase of goods include references to the obtaining of services for money;”.]

**Editorial Information**

**X17** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

**Textual Amendments**

**F72** Sch. 6 para. 26 repealed (E.W.S.) (6.4.2005) by [The Regulatory Reform \(Trading Stamps\) Order 2005 \(S.I. 2005/871\)](#), art. 6, [Sch.](#)

*M15* **Housing (Scotland) Act 1966**

**Marginal Citations**

**M15** 1966 c. 49.

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

#### Textual Amendments

**F73** Sch. 4 para. 27 repealed (5.11.1993) by 1993 c. 50, s. 1(1), Sch. 1 Pt. IX Group 1.

#### <sup>M16</sup>Trade Descriptions Act 1968

#### Marginal Citations

**M16** 1968 c. 29.

28 <sup>F74</sup> .....

#### Textual Amendments

**F74** Sch. 4 para. 28 repealed (20.6.2003) by Enterprise Act 2002 (c. 40), ss. 278, 279, Sch. 26; S.I. 2003/1397, art. 2, Sch. (with arts. 8, 10)

29 ..... <sup>F75</sup>

#### Textual Amendments

**F75** Sch. 4 Pt. I para. 29 repealed by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 844, Sch. 31

#### <sup>M17</sup>Administration of Justice Act 1970

#### Marginal Citations

**M17** 1970 c. 31.

<sup>x18</sup>30 After section 38 insert the following new section—

“**38A** This Part of this Act shall not apply to a mortgage securing an agreement which is a regulated agreement within the meaning of the Consumer Credit Act 1974.”

#### Editorial Information

**X18** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 - 45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

<sup>x19</sup>31 In section 54(6)(c) after “36 ” insert “38A ”.

#### Editorial Information

**X19** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 - 45, 49 - 51 and Sch. 5 is in the form in which it was

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

### *M18* Vehicles (Excise) Act 1971

#### Marginal Citations

**M18** 1971 c. 10.

<sup>F76</sup>32 .....

#### Textual Amendments

**F76** Sch. 4 Pt. I para. 32 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

33 ..... <sup>F77</sup>

#### Textual Amendments

**F77** Sch. 4 Pt. I para. 33 repealed by Industrial Development Act 1982 (c. 52, SIF 64), s. 19, **Sch. 3**

### *M19* Counter-Inflation Act 1973

#### Marginal Citations

**M19** 1973 c. 9.

<sup>x20</sup>34 In section 21(5)—  
(a) for “total purchase price or hire-purchase price ” substitute “total price ”;  
and  
(b) for the words from “This subsection ” onwards substitute—

“In this subsection—

“conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled, and

“hire-purchase agreement ” means an agreement, other than a conditional sale agreement, under which—

- (a) goods are bailed or (in Scotland) hired in return for periodical payments by the person to whom they are bailed or hired, and
- (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (i) the exercise of an option to purchase by that person,
- (ii) the doing of any other specified act by any party to the agreement,
- (iii) the happening of any other specified event ; and  
 “total price ” means the total sum payable by the person to whom goods are bailed or hired under a hire-purchase agreement or, as the case may be, the buyer under a conditional sale agreement including any sum payable on the exercise of an option to purchase but excluding any sum payable as a penalty or as compensation or damages for a breach of the agreement.”

#### Editorial Information

**X20** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

### *M20 Supply of Goods (Implied Terms) Act 1973*

#### Marginal Citations

**M20** 1973 c. 13.

<sup>x21</sup>35 For sections 8 to 12 substitute the following sections (which reproduce the existing provisions of those sections subject only to changes in terminology)—

#### “8 Implied terms as to title.

- (1) In every hire-purchase agreement, other than one to which subsection (2) below applies, there is—
  - (a) an implied condition on the part of the creditor that he will have a right to sell the goods at the time when the property is to pass ; and
  - (b) an implied warranty that—
    - (i) the goods are free, and will remain free until the time when the property is to pass, from any charge or encumbrance not disclosed or known to the person to whom the goods are bailed or (in Scotland) hired before the agreement is made, and
    - (ii) that person will enjoy quiet possession of the goods except so far as it may be disturbed by any person entitled to the benefit of any charge or encumbrance so disclosed or known.
- (2) In a hire-purchase agreement, in the case of which there appears from the agreement or is to be inferred from the circumstances of the agreement an

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

intention that the creditor should transfer only such title as he or a third person may have, there is—

- (a) an implied warranty that all charges or encumbrances known to the creditor and not known to the person to whom the goods are bailed or hired have been disclosed to that person before the agreement is made ; and
- (b) an implied warranty that neither—
  - (i) the creditor; nor
  - (ii) in a case where the parties to the agreement intend that any title which may be transferred shall be only such title as a third person may have, that person ; nor
  - (iii) anyone claiming through or under the creditor or that third person otherwise than under a charge or encumbrance disclosed or known to the person to whom the goods are bailed or hired, before the agreement is made ;

will disturb, the quiet possession of the person to whom the goods are bailed or hired.

## **9 Bailing or hiring by description.**

- (1) Where under a hire-purchase agreement goods are bailed or (in Scotland) hired by description, there is an implied condition that the goods will correspond with the description, and if under the agreement the goods are bailed or hired by reference to a sample as well as a description, it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.
- (2) Goods shall not be prevented from being bailed or hired by description by reason only that, being exposed for sale, bailment or hire, they are selected by the person to whom they are bailed or hired.

## **10 Implied undertakings as to quality or fitness.**

- (1) Except as provided by this section and section 11 below and subject to the provisions of any other enactment, including any enactment of the Parliament of Northern Ireland or the Northern Ireland Assembly, there is no implied condition or warranty as to the quality or fitness for any particular purpose of goods bailed or (in Scotland) hired under a hire-purchase agreement.
- (2) Where the creditor bails or hires goods under a hire-purchase agreement in the course of a business, there is an implied condition that the goods are of merchantable quality, except that there is no such condition—
  - (a) as regards defects specifically drawn to the attention of the person to whom the goods are bailed or hired before the agreement is made; or
  - (b) if that person examines the goods before the agreement is made, as regards defects which that examination ought to reveal.
- (3) Where the creditor bails or hires goods under a hire-purchase agreement in the course of a business and the person to whom the goods are bailed or hired, expressly or by implication, makes known—

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (a) to the creditor in the course of negotiations conducted by the creditor in relation to the making of the hire-purchase agreement, or
- (b) to a credit-broker in the course of negotiations conducted by that broker in relation to goods sold by him to the creditor before forming the subject matter of the hire-purchase agreement,

any particular purpose for which the goods are being bailed or hired, there is an implied condition that the goods supplied under the agreement are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied, except where the circumstances show that the person to whom the goods are bailed or hired does not rely, or that it is unreasonable for him to rely, on the skill or judgement of the creditor or credit-broker.

- (4) An implied condition or warranty as to quality or fitness for a particular purpose may be annexed to a hire-purchase agreement by usage.
- (5) The preceding provisions of this section apply to a hire-purchase agreement made by a person who in the course of a business is acting as agent for the creditor as they apply to an agreement made by the creditor in the course of a business, except where the creditor is not bailing or hiring in the course of a business and either the person to whom the goods are bailed or hired knows that fact or reasonable steps are taken to bring it to the notice of that person before the agreement is made.
- (6) In subsection (3) above and this subsection—
  - (a) “credit-broker ” means a person acting in the course of a business of credit brokerage ;
  - (b) “credit brokerage ” means the effecting of introductions of individuals desiring to obtain credit—
    - (i) to persons carrying on any business so far as it relates to the provision of credit, or
    - (ii) to other persons engaged in credit brokerage.

## 11 Samples.

Where under a hire-purchase agreement goods are bailed or (in Scotland) hired by reference to a sample, there is an implied condition—

- (a) that the bulk will correspond with the sample in quality ; and
- (b) that the person to whom the goods are bailed or hired will have a reasonable opportunity of comparing the bulk with the sample; and
- (c) that the goods will be free from any defect, rendering them unmerchantable, which would not be apparent on reasonable examination of the sample.

## 12 Exclusion of implied terms and conditions.

- (1) An express condition or warranty does not negative a condition or warranty implied by this Act this unless inconsistent with it.
- (2) A term of a hire-purchase agreement or any other agreement exempting from all or any of the provisions of section 8 above shall be void.

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3) A term of a hire-purchase agreement or any other agreement exempting from all or any of the provisions of sections 9, 10 or 11 above shall be void in the case of a consumer agreement and shall, in any other case, not be enforceable to the extent that it is shown that it would not be fair or reasonable to allow reliance on the term.
- (4) In determining for the purpose of subsection (3) above whether or not reliance on any such term would be fair or reasonable regard shall be had to all the circumstances of the case and in particular to the following matters—
  - (a) the strength of the bargaining positions of the creditor and the person to whom the goods are bailed or hired relative to each other, taking into account, among other things, the availability of suitable alternative products and sources of supply;
  - (b) whether that person received an inducement to agree to the term or in accepting it had an opportunity of acquiring the goods or suitable alternatives without it from any source of supply;
  - (c) whether that person knew or ought reasonably to have known of the existence and extent of the term (having regard, among other things, to any custom of the trade and any previous course of dealing between the parties);
  - (d) where the term exempts from all or any of the provisions of sections 9, 10 or 11 above if some condition is not complied with, whether it was reasonable at the time of the agreement to expect that compliance with that condition would be practicable;
  - (e) whether the goods were manufactured, processed or adapted to the special order of that person.
- (5) Subsection (4) above shall not prevent the court from holding, in accordance with any rule of law, that a term which purports to exclude any or restrict any of the provisions of sections 9, 10 and 11 above is not a term of the hire-purchase agreement.
- (6) In this section “consumer agreement” means a hire-purchase agreement where the creditor makes the agreement in the course of a business and the goods to which the agreement relates—
  - (a) are of a type ordinarily supplied for private use or consumption; and
  - (b) are bailed or (in Scotland) hired to a person who does not bail or hire them or hold himself out as bailing or hiring them in the course of a business.
- (7) The onus of proving that a hire-purchase agreement is to be treated for the purposes of this section as not being a consumer agreement shall lie on the party so contending.
- (8) Any reference in this section to a term exempting from all or any of the provisions of any section of this Act is a reference to a term which purports to exclude or restrict, or has the effect of excluding or restricting, the operation of all or any of the provisions of that section, or the exercise of a right conferred by any provision of that section, or any liability of the owner for breach of a condition or warranty implied by any provision of that section.

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (9) It is hereby declared that any reference in this section to a term of an agreement includes a reference to a term which although not contained in an agreement is incorporated in the agreement another term of the agreement.”

#### Editorial Information

**X21** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

- <sup>x22</sup>36 For sections 14 and 15 substitute the following sections (which reproduce the existing provisions of those sections subject only to changes in terminology)—

#### “14 Special provisions as to conditional sale agreements.

- (1) Section 11(1)(c) of the principal Act (whereby provisions in certain circumstances a breach of a condition in a contract of sale is treated only as a breach of warranty shall not apply to conditional sale agreements which are agreements for consumer sales.
- (2) In England and Wales and Northern Ireland a breach of a condition (whether express or implied) to be fulfilled by the seller under any such agreement shall be treated as a breach of warranty, and not as grounds for rejecting the goods and treating the agreement as repudiated, if (but only if) it would have fallen to be so treated had the condition been contained or implied in a corresponding hire-purchase agreement as a condition to be fulfilled by the creditor.

#### 15 Supplementary.

- (1) In sections 8 to 14 above and this section—
- “business ” includes a profession and the activities of any government department (including a Northern Ireland department), local authority or statutory undertaker;
- “buyer ” and “seller ” includes a person to whom rights and duties under a conditional sale agreement have passed by assignment or operation of law ;
- “condition ” and “warranty ”, in relation to Scotland, mean stipulation, and any stipulation referred to in sections 8(1)(a), 9, 10 and 11 above shall be deemed to be material to the agreement.
- “conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled;
- “consumer sale ” has the same meaning as in section 55 of the principal Act, as amended by section 4 above ;
- “creditor ” means the person by whom the goods are bailed or (in Scotland) hired under a hire-purchase agreement or the person



*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** *Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

to whom his rights and duties under the agreement have passed by assignment or operation of law ; and

“hire-purchase agreement ” means an agreement, other than conditional sale agreement, under which—

- (a) goods are bailed or (in Scotland) hired in return for periodical payments by the person to whom they are bailed or hired, and
  - (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
    - (i) the exercise of an option to purchase by that person,
    - (ii) the doing of any other specified act by any party to the agreement,
    - (iii) the happening of any other specified event.
- (2) Goods of any kind are of merchantable quality within the meaning of section 10(2) above if they are as fit for the purpose or purposes for which goods of that kind are commonly bought as it is reasonable to expect having regard to any description applied to them, the price (if relevant) and all the other relevant circumstances ; and in section 11 above “unmerchantable ” shall be construed accordingly.
- (3) In section 14(2) above “corresponding hire-purchase agreement ” means, in relation to a conditional sale agreement, a hire-purchase agreement relating to the same goods as the conditional sale agreement and made between the same parties and at the same time and in the same circumstances and, as nearly as may be, in the same terms as the conditional sale agreement.
- (4) Nothing in sections 8 to 13 above shall prejudice the operation of any other enactment including any enactment of the Parliament of Northern Ireland or the Northern Ireland Assembly or any rule of law whereby any condition or warranty, other than one relating to quality or fitness, is to be implied in any hire-purchase agreement.”

#### **Editorial Information**

**X22** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### *M21 Fair Trading Act 1973*

#### **Marginal Citations**

**M21** 1973 c. 41.

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

#### Textual Amendments

- F78** Sch. 4 para. 37 repealed (29.12.2003) by [The Enterprise Act 2002 and Media Mergers \(Consequential Amendments\) Order 2003 \(S.I. 2003/3180\)](#), art. 2, [Sch. para. 2](#) (with art. 3)

## PART II

### NORTHERN IRELAND

#### <sup>M22</sup>*Irish Bankrupt and Insolvent Act 1857*

#### Marginal Citations

- M22** 1857 c. 60.

<sup>F79</sup>38 .....

#### Textual Amendments

- F79** Sch. 4 Pt. II para. 38 repealed (N.I.)(01. 10. 1991) by [S.I. 1989/2405 \(N.I.19\)](#), art. 382, [Sch. 10](#); [S.R. 1991/411](#), [art. 2](#)

#### <sup>M23</sup>*Bills of Sale (Ireland) Act (1879) Amendment Act 1883*

#### Marginal Citations

- M23** 1883 c. 7.

<sup>X23</sup>39 The following section shall be inserted after section 7:—

#### “7A Defaults under consumer credit agreements.

- (1) Paragraph (1) of section 7 of this Act does not apply to a default relating to a bill of sale given by way of security for the payment of money under a regulated agreement to which section 87(1) of the Consumer Credit Act 1974 applies:—
- (a) unless the restriction imposed by section 88(2) of that Act has ceased to apply to the bill of sale; or
  - (b) if, by virtue of section 89 of that Act, the default is to be treated as not having occurred.
- (2) Where paragraph (1) of section 7 of this Act does apply in relation to a bill of sale such as is mentioned in subsection (1) of this section, the proviso to that section shall have effect with the insertion after “High Court ” of the words “or county court ”.

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

#### Editorial Information

**X23** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### <sup>M24</sup>*Liability for War Damage (Miscellaneous Provisions) Act (Northern Ireland) 1939*

#### Marginal Citations

**M24** [1939 c. 36 \(N.I.\)](#)

<sup>x24</sup>40 In section 1(3), for paragraph (a) and (b) substitute—

“(a) a hire-purchase agreement or a conditional sale agreement within the meaning of the Consumer Credit Act 1974 being a consumer credit agreement as defined by that Act ; or

(b) a consumer hire agreement within the meaning of that Act.”

#### Editorial Information

**X24** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

41, 42. . . . . **F80**

#### Textual Amendments

**F80** [Sch. 4 Pt. II paras. 41, 42](#) repealed by [S.I. 1981/158 \(N.I. 14\)](#), [art. 44\(3\)](#), [Sch. 5](#)

#### <sup>M25</sup>*Trading Stamps Act (Northern Ireland) 1965*

#### Marginal Citations

**M25** [1965 c. 6 \(N.I.\)](#).

<sup>x25</sup>43 [<sup>F81</sup>In section 2, for subsection (1) substitute—

“(1) No person shall after the coming into force of this section issue any trading stamp, or cause any trading stamp to be issued, or deliver any trading stamp to any person in connection with the sale of any goods, the bailment of any goods under a hire-purchase agreement or the performance of any services, unless such trading stamp bears on its face in clear and legible characters a value expressed in or by reference to current coin of the realm”.]

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

#### Editorial Information

**X25** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### Textual Amendments

**F81** Sch. 4 para. 43 repealed (N.I.) (15.11.2005) by [The Law Reform \(Miscellaneous Provisions\) \(Northern Ireland\) Order 2005 \(S.I. 2005/1452 \(N.I. 7\)\)](#), art. 24, **Sch. 2**; S.R. 2005/494, **art. 2(1)**

x<sup>26</sup>44

[<sup>F82</sup>In section 3, for subsection (4) substitute—

“(4) In this section “redeemable trading stamps ” means trading stamps delivered after the coming into force of this section in accordance with a trading stamp scheme on or in connection with either—

- (a) the purchase of any goods,
- (b) the bailment of any goods under a hire-purchase agreement, or
- (c) the obtaining of any services for money,

and “the holder ” in relation to such a trading stamp, means the person to whom it was so delivered or any person who holds it without notice of any defect in title.”]

#### Editorial Information

**X26** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### Textual Amendments

**F82** Sch. 4 para. 44 repealed (N.I.) (15.11.2005) by [The Law Reform \(Miscellaneous Provisions\) \(Northern Ireland\) Order 2005 \(S.I. 2005/1452 \(N.I. 7\)\)](#), art. 24, **Sch. 2**; S.R. 2005/494, **art. 2(1)**

x<sup>27</sup>45

[<sup>F83</sup>In section 9—

(1) after the definition of “cash value ” insert—

“ “conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled ;”, and

(2) after the definition of “goods ” insert—

“ “hire-purchase agreement ” means an agreement, other than a conditional sale agreement, under which—

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) goods are bailed in return for periodical payments by the person to whom they are bailed, and
  - (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
    - (i) the exercise of an option to purchase by that person,
    - (ii) the doing of any other specified act by any party to the agreement,
    - (iii) the happening of any other specified event.”
- (3) For the definition of “trading stamp ” substitute—
- “ “trading stamp ” means a stamp which is, or is intended to be, delivered to any person on or in connection with either—
- (i) the purchase of any goods, or
  - (ii) the bailment of any goods under a hire-purchase agreement,
- (other than the purchase of a newspaper or other periodical of which the stamp forms part or in which it is contained) and is, or is intended to be, redeemable (whether singly or together with other such stamps) by that or some other person:
- Provided that a stamp shall not be deemed to be a trading stamp if—
- (a) it is delivered or is intended to be delivered to a person (in this definition called “the purchaser ”) on or in connection with the purchase of any goods by the purchaser, or the bailment to him of any goods, and
  - (b) it is intended to be, and is not, redeemable from any person other than—
    - (i) the person (in this definition called “the seller ”) from whom the purchaser purchased those goods or who bailed those goods to him, or
    - (ii) any person from whom the seller (whether directly or indirectly) acquired those goods, and
  - (c) in the case where a business is carried on by six or more retail establishments, the stamp is one of a kind obtainable at no more than six of those retail establishments, and not obtainable by the public elsewhere, and the arrangements under which it is redeemable are entirely separate from arrangements under which any other stamps, whether trading stamps or not, are redeemable, and references in this definition to the purchase of goods include references to the obtaining of services for money.”.]

#### **Editorial Information**

**X27** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

**Textual Amendments**

**F83** Sch. 4 para. 45 repealed (N.I.) (15.11.2005) by The Law Reform (Miscellaneous Provisions) (Northern Ireland) Order 2005 (S.I. 2005/1452 (N.I. 7)), art. 24, **Sch. 2**; S.R. 2005/494, **art. 2(1)**

46, 47. . . . . **F84**

**Textual Amendments**

**F84** Sch. 4 Pt. II paras. 46, 47 repealed by Consumer Safety Act 1978 (c. 38), s. 12(1), **Sch. 3**

48 . . . . . **F85**

**Textual Amendments**

**F85** Sch. 4 Pt. II para. 48 repealed by S.I. 1982/1083 (N.I. 15), art. 35(3), **Sch. 5 Pt. I**

*M26 Hire-Purchase Act (Northern Ireland) 1966*

**Marginal Citations**

**M26** 1966 c. 42(N.I.)

<sup>x28</sup>49 For Part VI substitute the following (which reproduces the existing provisions of that Part subject only to changes in terminology)—

**“PART VI**

**TITLE TO MOTOR VEHICLES ON HIRE-  
PURCHASE OR CONDITIONAL SALE**

**Protection of purchasers of motor vehicles.**

- 62 (1) This section applies where a motor vehicle has, been bailed under a hire-purchase agreement, or has been agreed to be sold under a conditional sale agreement, and, before the property in the vehicle has become vested in the debtor, he disposes of the vehicle to another person.
- (2) Where the disposition referred to in subsection (1) is to a private purchaser, and he is a purchaser of the motor vehicle in good faith without notice of the hire-purchase or conditional sale agreement (the “relevant agreement”) that disposition shall have effect as if the creditor’s title to the vehicle had been vested in the debtor immediately before that disposition.
- (3) Where the person to whom the disposition referred to in subsection (1) is made (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 ( “the first private purchaser”) is a purchaser of the vehicle in good faith without notice of the relevant agreement, the disposition of the vehicle to the first private purchaser shall have effect as if the title of the

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

creditor to the vehicle had been vested in the debtor immediately before he disposed of it to the original purchaser.

- (4) Where, in a case within subsection (3)—
- (a) the disposition by which the first private purchaser becomes a purchaser of the motor vehicle in good faith without notice of the relevant agreement is itself a bailment under a hire-purchase agreement, and
  - (b) the person who is the creditor in relation to that agreement disposes of the vehicle to the first private purchaser, or a person claiming under him, by 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) (whether or not the person to whom it is made is a purchaser in good faith without notice of the relevant agreement) shall, as well as the disposition referred to in paragraph (a), have effect as mentioned in subsection (3).

- (5) The preceding provisions of this section apply—
- (a) notwithstanding anything in section 21 of the Sale of Goods Act 1893 (sale of goods by a person not the owner), but
  - (b) without prejudice to the provisions of the Factors Act (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.
- (6) Nothing in this section shall exonerate the debtor from any liability (whether criminal or civil) to which he would be subject apart from this section ; and, in a case where the debtor 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.

### **Presumptions relating to dealings with motor vehicles.**

- 63 (1) Where in any proceedings (whether criminal or civil) relating to a motor vehicle it is proved—
- (a) that the vehicle was bailed 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 without notice of the hire-purchase or conditional sale agreement (the “relevant agreement ”),

this section shall have effect for the purpose of the operation of section 62 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 subsection (1)(b) (the “relevant purchaser ”) was made by the debtor.

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3) If it is proved that that disposition was not made by the debtor, then it shall be presumed for those purposes, unless the contrary is proved—
- (a) that the debtor disposed of the vehicle to a private purchaser purchasing in good faith without notice of the relevant agreement and
  - (b) that the relevant purchaser is or was a person claiming under the person to whom the debtor 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 debtor, and that the person to whom the debtor disposed of the vehicle (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 without notice of the relevant agreement, and
  - (b) that the relevant purchaser is or was a person claiming under the original purchaser.
- (5) Without prejudice to any other method 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.

### **Interpretation of Part VI and application to the Crown.**

64 (1) In this Part—

“conditional sale agreement ” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled ;

“creditor ” means the person by whom goods are bailed under a hire-purchase agreement or, as the case may be, the seller under a conditional sale agreement, or the person to whom his rights and duties have passed by assignment or operation of law ;

“disposition ” means any sale or contract of sale (including a conditional sale agreement), any bailment 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 ” means an agreement, other than a conditional sale agreement, under which—

- (a) goods are bailed in return for periodical payments by the person to whom they are bailed, and
- (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
  - (i) the exercise of an option to purchase by that person,
  - (ii) the doing of any other specified act by any party to the agreement,



*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (iii) the happening of any other specified event, and “motor vehicle ” means a mechanically propelled vehicle intended or adapted for use on roads to which the public has access.
- (2) In this Part “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 bailing 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 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 such agreement.
- (4) In this Part the “debtor ”, in relation to a motor vehicle which has been bailed under a hire-purchase agreement or, as the case may be, 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) either—
- (a) is the person to whom the vehicle is bailed under that agreement or
  - (b) is, in relation to the agreement, the buyer, including a person who at that time is, by virtue of section 130(4) of the Consumer Credit Act 1974 treated as a bailee of the vehicle.
- (5) In this Part any reference to the title of the creditor to a motor vehicle which has been bailed under a hire-purchase agreement, or agreed to be sold under a conditional sale agreement, and is disposed of by the debtor, 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 creditor in relation to the agreement.
- (6) This Part binds the Crown to the full extent authorised or permitted by the constitutional laws of Northern Ireland.”.

#### **Editorial Information**

**X28** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

*Status: Point in time view as at 19/02/2013.*

**Changes to legislation:** Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

### <sup>M27</sup>*Vehicles (Excise) Act (Northern Ireland) 1972*

#### Marginal Citations

**M27** 1972 c. 10 (N.I.).

<sup>F86</sup>50 .....

#### Textual Amendments

**F86** Sch. 4 para. 50 repealed (1.10.1991) by Finance Act 1991 (c.31, SIF 107:2), ss. 10, 123, Sch. 19 Pt. IV; S.I. 1991/2021, art 2

### <sup>M28</sup>*Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972*

#### Marginal Citations

**M28** 1972 c. II (N.I.).

<sup>x29</sup>51 In section 1(2) for “VII ” where first occurring substitute “V ” and for “to VIII ” where secondly occurring substitute “and V ”.

#### Editorial Information

**X29** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

## <sup>x30</sup>SCHEDULE 5

Section 192 (3)(b).

### REPEALS

#### Editorial Information

**X30** The text of ss. 3(a)(b)(c), 5, 42(1)(2)(3), 192(3)(a)(b), Sch. 4 Pt. I paras. 1, 2, 5, 7 - 9, 11 - 17, 19, 22 - 28, 30 - 32, 34 - 37, Sch. 4 Pt. II paras. 39, 40, 43 -45, 49 - 51 and Sch. 5 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

SCHEDULE 5  
 REPEALS  
 PART I  
 UNITED KINGDOM

Chapter	Short Title	Extent of Repeal
1835 (5 & 6 Will. 4.) c. 62	Statutory Declarations Act 1835.	Section 12.
1839 (2 & 3 Vict.) c. 47.	Metropolitan Police Act 1839.	Section 50.
1839 (2 & 3 Vict.) c. 71.	Police Courts (Metropolitan) Act 1839.	In section 27 the words "pawned, pledged" and the words "or of any person who shall have advanced money upon the credit of such goods". In section 28 the words "pawned, pledged or" (in each place). The whole Act.
1872 (35 & 36 Vict.) c. 93.	Pawnbrokers Act 1872.	
1875 (38 & 39 Vict.) c. 25.	Public Stores Act 1875.	In section 9 the words " or a pawnbroker " and " or to pawnbrokers ".
1891 (54 & 55 Vict.) c. 50.	Commissioners for Oaths Act 1891.	In section 1, the words " or the Pawnbrokers Act 1872 ".
1892 (55 & 56 Vict.) c. 4.	Betting and Loans (Infants) Act 1892.	Sections 2 to 4. Section 6, except as far as it extends to Northern Ireland. In section 7, the definitions of "indictment" and "summary conviction".
1892 (55 & 56 Vict.) c. 55.	Burgh Police (Scotland) Act 1892.	In section 453, the words " and all offences committed against the provisions of the Pawnbrokers Act 1872, ".
1894 (56 & 57 Vict.) c. 71.	Sale of Goods Act 1893.	Section 14(6).
1894 (56 & 57 Vict.) c. 75.	Local Government Act 1894.	Section 27(1)(b).
1897 (60 & 61 Vict.) c. 30.	Police (Property) Act 1897.	In section 1(1), the words " or section thirty-four of the Pawnbrokers Act 1872 ".
1900 (63 & 64 Vict.) c. 51.	Moneylenders Act 1900.	The whole Act.
1908 (8 Edw. 7.) c. 53.	Law of Distress Amendment Act 1908.	In section 4(1) the words " bill of sale, hire purchase agreement or ".
1927 (17 & 18 Geo. 5.) c. 21.	Moneylenders Act 1927.	The whole Act.
1933 (23 & 24 Geo. 5.) c. 12.	Children and Young Persons Act 1933.	Section 8.

Chapter	Short Title	Extent of Repeal
1937 (1 Edw. 8 & 1 Geo. 6.) c. 37.	Children and Young Persons (Scotland) Act 1937.	Section 19.
1939 (2 & 3 Geo. 6.) c. 75.	Compensation (Defence) Act 1939.	In section 18(1) the words from " the expression hire purchase agreement " " to " omitted ".
1939 (2 & 3 Geo. 6.) c. 102.	Liability for War Damage (Miscellaneous Provisions) Act 1939.	Sections 4 and 6(b).
1940 (3 & 4 Geo. 6.) c. 42.	Law Reform (Miscellaneous Provisions) (Scotland) Act 1940.	In section 4(2), paragraphs (b) and (c).
1945 (8 & 9 Geo. 6.) c. 16.	Limitation (Enemies and War Prisoners) Act 1945.	In section 2, the words " subsection (1) of section thirteen of the Moneylenders Act 1927 ".
1948 (11 & 12 Geo. 6.) c. 38.	Companies Act 1948.	In section 4, the words " subsection (1) of section thirteen of the Moneylenders Act 1927 ".
1949 (12 & 13 Geo. 6.) c. 47.	Finance Act 1949.	Section 20(2)(c).
1949 (12 & 13 Geo. 6.) c. 47.	Finance Act 1949.	In section 15, subsections (1) to (3) and (6) to (8A).
1952 (15 & 16 Geo. 6 & 1 Eliz. 2.) c. 44.	Customs and Excise Act 1952.	In section 313(1) the words " or section fifteen of the Finance Act 1949 ".
1956 (4 & 5 Eliz. 2.) c. 68.	Restrictive Trade Practices Act 1956.	Section 26(4) from "and for the reference to a hire-purchase agreement" onwards. Section 26(5). The whole Act.
1960 (8 & 9 Eliz. 2.) c. 24.	Pawnbrokers Act 1960.	The whole Act.
1961 (9 & 10 Eliz. 2.) c. 36.	Finance Act 1961.	Section 11(1) from " or section 15 of the Finance Act 1949 " onwards. Section 9(3)(b).
1964 c. 42.	Administration of Justice Act 1964.	Section 9(3)(b).
1964 c. 53.	Hire-Purchase Act 1964.	The whole Act, except Part III and section 37.
1964 c. 60.	Emergency Laws (Re-enactment and Repeals) Act 1964.	Section 1(4).
1964 c. 71.	Trading Stamps Act 1964.	In section 10(1) the definition of " purchase ".
1965 c. 66.	Hire-Purchase Act 1965.	The whole Act.
1965 c. 67.	Hire-Purchase (Scotland) Act 1965.	The whole Act.
1966 c. 42.	Local Government Act 1966.	In Schedule 3, Part II, the entries relating to section 27 of the Pawnbrokers Act 1872, and section 1(1) of the Moneylenders Act 1927.

*Status: Point in time view as at 19/02/2013.*

*Changes to legislation: Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

Chapter	Short Title	Extent of Repeal
1966 c. 51.	Local Government (Scotland) Act 1966.	In Schedule 4, Part II, the entries relating to section 37 of the Pawnbrokers Act 1872 and section 1(1) of the Money-lenders Act 1927.
1967 c. 42.	Advertisements (Hire-Purchase) Act 1967.	The whole Act.
1967 c. 81.	Companies Act 1967.	Sections 123 to 125.
1968 c. 60.	Theft Act 1968.	In Schedule 2, Part III, the entry relating to the Pawnbrokers Act 1872.
1969 c. 19.	Decimal Currency Act 1969.	In Schedule 2, paragraph 2.
1969 c. 48.	Post Office Act 1969.	In Schedule 4, paragraph 31.
1971 c. 23.	Courts Act 1971.	In Schedule 3, Part I, the entries relating to the Pawnbrokers Act 1872 and the Money-lenders Act 1927.
1972 c. 70.	Local Government Act 1972.	Section 213(1)(a) and (b) and (3).
1973 c. 65.	Local Government (Scotland) Act 1973.	In Schedule 27, paragraph 96. In Schedule 29, the entry relating to the Finance Act 1949.

PART II  
NORTHERN IRELAND

Chapter	Short Title	Extent of Repeal
1842 (S. & 6 Vic.) c. 15.	Charitable Pawn Offices (Ireland) Act 1842.	The whole Act.
1933 c. 23 (N.I.).	Money-lenders Act (Northern Ireland) 1933.	The whole Act.
1939 c. 36 (N.I.).	Liability for War Damage (Miscellaneous Provisions) Act (Northern Ireland) 1939.	In section 5(1) the definition of "hire-purchase agreement".
1949 c. 2 (N.I.).	Agriculture Act (Northern Ireland) 1949.	Section 7(2).
1954 c. 30 (N.I.).	Pawnbrokers Act (Northern Ireland) 1954.	The whole Act.
1957 c. 19 (N.I.).	Betting and Lotteries Act (Northern Ireland) 1957.	Section 3(1)(j).
1960 c. 22 (N.I.).	Companies Act (Northern Ireland) 1960.	Section 192(3)(c).
1965 c. 6 (N.I.).	Trading Stamps Act (Northern Ireland) 1965.	In section 9 the definition of "purchase".
1966 c. 42 (N.I.).	Hire-Purchase Act (Northern Ireland) 1966.	The whole Act except Part VI and section 68.
1967 c. 29 (N.I.).	Increase of Fines Act (Northern Ireland) 1967.	In Part I of the Schedule the entries relating to the Money-lenders Act (Northern Ireland) 1933.

Chapter	Short Title	Extent of Repeal
1968 c. 28 (N.I.).	Criminal Justice (Miscellaneous Provisions) Act (Northern Ireland) 1968.	In Schedule 2 the entry relating to the Money-lenders Act (Northern Ireland) 1933.
1969 c. 16 (N.I.).	Theft Act (Northern Ireland) 1969.	In Schedule 2 the entry relating to the Pawnbrokers Act (Northern Ireland) 1954.
1969 c. 24 (N.I.).	Industrial and Provident Societies Act (Northern Ireland) 1969.	Section 96.
1969 c. 27 (N.I.).	Money-lenders (Amendment) Act (Northern Ireland) 1969.	The whole Act.
1969 c. 30 (N.I.).	Judgments (Enforcement) Act (Northern Ireland) 1969.	In Schedule 4 the amendments of the Hire-Purchase Act (Northern Ireland) 1966.
1971 c. 13 (N.I.).	Licensing Act (Northern Ireland) 1971.	Section 2(5)(b).
1972 c. 11 (N.I.).	Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972.	Parts VI and VII. In Schedule 4 the entry relating to the Pawnbrokers Act (Northern Ireland) 1954.

**Status:**

Point in time view as at 19/02/2013.

**Changes to legislation:**

Consumer Credit Act 1974 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.