



Consumer Credit Act 1974

1974 CHAPTER 39

PART VIII

SECURITY

Negotiable instruments

123 Restrictions on taking and negotiating instruments.

- (1) A creditor or owner shall not take a negotiable instrument, other than a bank note or cheque, in discharge of any sum payable—
 - (a) by the debtor or hirer under a regulated agreement, or
 - (b) by any person as surety in relation to the agreement.
- (2) The creditor or owner shall not negotiate a cheque taken by him in discharge of a sum payable as mentioned in subsection (1) except to a banker (within the meaning of the ^{M1}Bills of Exchange Act 1882).
- (3) The creditor or owner shall not take a negotiable instrument as security for the discharge of any sum payable as mentioned in subsection (1).
- (4) A person takes a negotiable instrument as security for the discharge of a sum if the sum is intended to be paid in some other way, and the negotiable instrument is to be presented for payment only if the sum is not paid in that way.
- (5) This section does not apply where the regulated agreement is a non-commercial agreement.
- (6) The [^{F1}Treasury] may by order provide that this section shall not apply where the regulated agreement has a connection with a country outside the United Kingdom.

Textual Amendments

- F1** Word in s. 123(6) substituted (26.7.2013 for specified purposes) by [The Financial Services Act 2012 \(Consumer Credit\) Order 2013 \(S.I. 2013/1882\)](#), arts. 1(1), **7(10)**

Status: Point in time view as at 26/07/2013. This version of this provision has been superseded.

Changes to legislation: Consumer Credit Act 1974, Section 123 is up to date with all changes known to be in force on or before 02 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)

Marginal Citations

M1 1882 c. 61.

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