



Consumer Credit Act 1974

1974 CHAPTER 39

PART VIII

SECURITY

Negotiable instruments

125 Holders in due course

- (1) A person who takes a negotiable instrument in contravention of section 123(1) or (3) is not a holder in due course, and is not entitled to enforce the instrument.
- (2) Where a person negotiates a cheque in contravention of section 123(2), his doing so constitutes a defect in his title within the meaning of the Bills of Exchange Act 1882.
- (3) If a person mentioned in section 123(1)(a) or (b) ("the protected person ") becomes liable to a holder in due course of an instrument taken from the protected person in contravention of section 123(1) or (3), or taken from the protected person and negotiated in contravention of section 123(2), the creditor or owner shall indemnify the protected person in respect of that liability.
- (4) Nothing in this Act affects the rights of the holder in due course of any negotiable instrument.