



# Consumer Credit Act 1974

## 1974 CHAPTER 39

### PART VI

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

#### **[<sup>F1</sup>78A Duty to give information to debtor on change of rate of interest**

- (1) Where the rate of interest charged under a regulated consumer credit agreement, other than an excluded agreement, is to be varied, the creditor must inform the debtor in writing of the matters mentioned in subsection (3) before the variation can take effect.
- (2) But subsection (1) does not apply where—
  - (a) the agreement provides that the creditor is to inform the debtor in writing periodically of the matters mentioned in subsection (3) in relation to any variation, at such times as may be provided for in the agreement,
  - (b) the agreement provides that the rate of interest is to vary according to a reference rate,
  - (c) the reference rate is publicly available,
  - (d) information about the reference rate is available on the premises of the creditor, and
  - (e) the variation of the rate of interest results from a change to the reference rate.
- (3) The matters referred to in subsections (1) and (2)(a) are—
  - (a) the variation in the rate of interest,
  - (b) the amount of any payments that are to be made after the variation has effect, if different, expressed as a sum of money where practicable, and
  - (c) if the number or frequency of payments changes as a result of the variation, the new number or frequency.
- (4) In the case of an agreement mentioned in subsection (5) this section applies as follows—
  - (a) the obligation in subsection (1) only applies if the rate of interest increases, and

---

*Changes to legislation: Consumer Credit Act 1974, Section 78A is up to date with all changes known to be in force on or before 10 June 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) View outstanding changes*

---

- (b) subsection (3) is to be read as if paragraphs (b) and (c) were omitted.
- (5) The agreements referred to in subsection (4) are—
  - (a) an authorised business overdraft agreement,
  - (b) an authorised non-business overdraft agreement, or
  - (c) an agreement which would be an authorised non-business overdraft agreement but for the fact that the credit is not repayable on demand or within three months.
- (6) For the purposes of this section an agreement is an excluded agreement if it is—
  - (a) a debtor-creditor agreement arising where the holder of a current account overdraws on the account without a pre-arranged overdraft or exceeds a pre-arranged overdraft limit, or
  - (b) an agreement secured on land.]

---

**Textual Amendments**

**F1** S. 78A inserted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), [regs. 27, 99\(1\)](#) (with [regs. 100, 101](#))

---

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

**C1** S. 78A excluded (E.W.S.) (15.7.2014) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Green Deal\) \(Amendment\) Order 2014 \(S.I. 2014/1850\)](#), arts. 1(2), **12(5)** (with art. 1(3))

**Changes to legislation:**

Consumer Credit Act 1974, Section 78A is up to date with all changes known to be in force on or before 10 June 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.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 25(2A)(b)(ia) inserted by [2010 c. 28 Sch. 2 para. 36](#)