



Consumer Credit Act 2006

2006 CHAPTER 14

Statements to be provided in relation to regulated credit agreements

6 Statements to be provided in relation to fixed-sum credit agreements

After section 77 of the 1974 Act insert—

“77A Statements to be provided in relation to fixed-sum credit agreements

- (1) The creditor under a regulated agreement for fixed-sum credit—
 - (a) shall, within the period of one year beginning with the day after the day on which the agreement is made, give the debtor a statement under this section; and
 - (b) after the giving of that statement, shall give the debtor further statements under this section at intervals of not more than one year.
- (2) Regulations may make provision about the form and content of statements under this section.
- (3) The debtor shall have no liability to pay any sum in connection with the preparation or the giving to him of a statement under this section.
- (4) The creditor is not required to give the debtor any statement under this section once the following conditions are satisfied—
 - (a) that there is no sum payable under the agreement by the debtor; and
 - (b) that there is no sum which will or may become so payable.
- (5) Subsection (6) applies if at a time before the conditions mentioned in subsection (4) are satisfied the creditor fails to give the debtor—
 - (a) a statement under this section within the period mentioned in subsection (1)(a); or
 - (b) such a statement within the period of one year beginning with the day after the day on which such a statement was last given to him.

- (6) Where this subsection applies in relation to a failure to give a statement under this section to the debtor—
- (a) the creditor shall not be entitled to enforce the agreement during the period of non-compliance;
 - (b) the debtor shall have no liability to pay any sum of interest to the extent calculated by reference to the period of non-compliance or to any part of it; and
 - (c) the debtor shall have no liability to pay any default sum which (apart from this paragraph)—
 - (i) would have become payable during the period of non-compliance; or
 - (ii) would have become payable after the end of that period in connection with a breach of the agreement which occurs during that period (whether or not the breach continues after the end of that period).
- (7) In this section ‘the period of non-compliance’ means, in relation to a failure to give a statement under this section to the debtor, the period which—
- (a) begins immediately after the end of the period mentioned in paragraph (a) or (as the case may be) paragraph (b) of subsection (5); and
 - (b) ends at the end of the day on which the statement is given to the debtor or on which the conditions mentioned in subsection (4) are satisfied, whichever is earlier.
- (8) This section does not apply in relation to a non-commercial agreement or to a small agreement.”

7 Further provision relating to statements

- (1) In section 78 of the 1974 Act (duty to give information to debtor under running-account credit agreement) after subsection (4) insert—
- “(4A) Regulations may require a statement under subsection (4) to contain also information in the prescribed terms about the consequences of the debtor—
- (a) failing to make payments as required by the agreement; or
 - (b) only making payments of a prescribed description in prescribed circumstances.”
- (2) In subsection (7) of that section for “(4) and (5)” substitute “(4) to (5)”.
- (3) In section 185 of that Act (agreement with more than one debtor or hirer) for subsection (2) substitute—
- “(2) Notwithstanding subsection (1)(a), where credit is provided under an agreement to two or more debtors jointly, in performing his duties—
- (a) in the case of fixed-sum credit, under section 77A, or
 - (b) in the case of running-account credit, under section 78(4),
- the creditor need not give statements to any debtor who has signed and given to him a notice (a ‘dispensing notice’) authorising him not to comply in the debtor’s case with section 77A or (as the case may be) 78(4).

- (2A) A dispensing notice given by a debtor is operative from when it is given to the creditor until it is revoked by a further notice given to the creditor by the debtor.
- (2B) But subsection (2) does not apply if (apart from this subsection) dispensing notices would be operative in relation to all of the debtors to whom the credit is provided.
- (2C) Any dispensing notices operative in relation to an agreement shall cease to have effect if any of the debtors dies.
- (2D) A dispensing notice which is operative in relation to an agreement shall be operative also in relation to any subsequent agreement which, in relation to the earlier agreement, is a modifying agreement.”