



Consumer Credit Act 2006

2006 CHAPTER 14

Default under regulated agreements

18 Definition of “default sum”

(1) After section 187 of the 1974 Act insert—

“187A Definition of ‘default sum’

- (1) In this Act ‘default sum’ means, in relation to the debtor or hirer under a regulated agreement, a sum (other than a sum of interest) which is payable by him under the agreement in connection with a breach of the agreement by him.
- (2) But a sum is not a default sum in relation to the debtor or hirer simply because, as a consequence of his breach of the agreement, he is required to pay it earlier than he would otherwise have had to.”

(2) In section 189(1) of that Act (definitions) after the definition of “default notice” insert—

“‘default sum’ has the meaning given by section 187A;”.