Consumer Credit Act 2006

2006 CHAPTER 14

Statements to be provided in relation to regulated credit agreements

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."