
STATUTORY INSTRUMENTS

1980 No. 51

**The Consumer Credit (Total Charge
for Credit) Regulations 1980**

PART IV

ASSUMPTIONS FOR CALCULATIONS

Effect of Part IV

12.—(1) The provisions of this Part of these Regulations shall have effect as the case may require for the purpose of the calculation of the total charge for credit under Part II above and of the rate of such charge under Part III above in relation to any actual or prospective agreement in respect of matters necessary for the calculation which cannot be ascertained by the creditor at the date of the making of the agreement.

(2) In a case where apart from this paragraph regulation 13 below and one or more other provisions of this Part would fall to be applied the said regulation 13 shall be applied first.

Assumption about the amount of credit

13. Where the amount of the credit to be provided under the agreement cannot be ascertained at the date of the making of the agreement,—

- (a) in the case of an agreement for running-account credit under which there is a credit limit, that amount shall be taken to be such credit limit; and
- (b) in any other case, that amount shall be taken to be £100.

Assumption about period for which credit is provided

14. Where the period for which credit is to be provided is not ascertainable at the date of the making of the agreement, it shall be assumed that credit is provided for one year beginning with the relevant date.

Assumption about index-linked rates and amounts

15. Where the rate or amount of any item included in the total charge for credit or the amount of any repayment of credit under a transaction falls to be ascertained thereunder by reference to the level of any index or other factor in accordance with any formula specified therein, the rate or amount, as the case may be, shall be taken to be the rate or amount so ascertained, the formula being applied as if the level of such index or other factor subsisting at the date of the making of the agreement were that subsisting at the date by reference to which the formula is to be applied.

Assumption about changes in charges

16. Where—

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- (a) the period for which the credit or any part thereof is to be or may be provided cannot be ascertained at the date of the making of the agreement; and
- (b) the rate or amount of any item included in the total charge for credit will change at a time provided in the transaction within one year beginning with the relevant date,

the rate or amount shall be taken to be the highest rate or amount at any time obtaining under the transaction in that year.

Assumption about time of provision of credit

17. Where the earliest date on which credit is to be provided cannot be ascertained at the date of the making of the agreement, it shall be assumed that credit is provided on that date.

Assumptions about time of payment of charges

18. In the case of any transaction it shall be assumed—

- (a) that a charge payable at a time which cannot be ascertained at the date of the making of the agreement shall be payable on the relevant date or, where it may reasonably be expected that a debtor will not make payment on that date, on the earliest date at which it may reasonably be expected that he will make payment; or
- (b) where more than one payment of a charge of the same description falls to be made at times which cannot be ascertained at the date of the making of the agreement, that the first such payment will be payable on the relevant date (or, where it may reasonably be expected that a debtor will not make payment on that date, at the earliest date on which it may reasonably be expected that he will make payment), that the last such payment will be payable at the end of the period for which credit is provided and that all other such payments (if any) will be payable at equal intervals between such times,

as the case may require.