

1980 No. 54

CONSUMER CREDIT

The Consumer Credit (Advertisements) Regulations 1980

<i>Made - - - -</i>	<i>17th January 1980</i>
<i>Laid before Parliament</i>	<i>29th January 1980</i>
<i>Coming into Operation</i>	<i>6th October 1980</i>

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The Secretary of State, in exercise of powers conferred on him by sections 44, 151(1) and 182(2) and (3) of the Consumer Credit Act 1974(a) and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

PART I

GENERAL

*Preliminary**Citation, commencement and interpretation*

1.—(1) These Regulations may be cited as the Consumer Credit (Advertisements) Regulations 1980 and shall come into operation on 6th October 1980.

(2) In these Regulations—

“the Act” means the Consumer Credit Act 1974;

“cash price” means the price or charge at which a person indicates that he is or may be willing to sell or supply goods, services, land or other things, as the case may be, to cash purchasers, being a price or charge—

(a) which, in relation to an advertisement, applies at the time at which the advertisement is published or, if a time is specified in the advertisement as a time at which the cash price applies, at that time; and

(b) which takes no account—

(i) except where the advertisement is expressly directed to them, of any discount available only to particular persons or to a particular class of persons or to persons in particular circumstances; and

(ii) except where the advertisement states the quantity or amount in respect of which the discount is available, of any discount available by virtue of the sale or supply of goods, services, land or other things in a quantity or amount greater than the minimum quantity or amount which a person indicates that he is or may be willing to sell or supply;

(a) 1974 c. 39.

“cash purchaser” means, in relation to any advertisement, a person who, for a money consideration—

- (a) acquires the ownership of goods, land or other things; or
- (b) is provided with services,

under a transaction which is not financed by credit;

“Consumer credit tables” means tables contained in Parts 1 to 15 of “Consumer credit tables” published in 1977 by Her Majesty’s Stationery Office as modified by Correction Slips so published in December 1978 (being tables calculated in accordance with the principles set out in the Consumer Credit (Total Charge for Credit) Regulations 1980(a));

“credit agreement” means a personal credit agreement secured on land or a consumer credit agreement;

“dealer” means, in relation to a hire-purchase, credit sale or conditional sale agreement under which he is not the creditor, a person who sells or proposes to sell goods, land or other things to the creditor before they form the subject-matter of any such agreement and, in relation to any other credit agreement, means a supplier;

“full credit advertisement” means an advertisement complying with the requirements of regulation 8;

“full hire advertisement” means an advertisement complying with the requirements of regulation 16;

“hire” includes bailment but does not include bailment or hire under a hire-purchase agreement;

“hire payment” means a payment made by a person in relation to any period in consideration of the hire to him of goods;

“identified dealer” means, in relation to an advertisement—

- (a) a dealer who is named in the advertisement or is identified in it by reference to a business connection he has with the advertiser; or
- (b) a dealer upon whose premises the advertisement is published;

“intermediate credit advertisement” means an advertisement complying with the requirements of regulation 7;

“intermediate hire advertisement” means an advertisement complying with the requirements of regulation 15;

“premises” includes any place, stall, vehicle, vessel, aircraft or hovercraft at which a person is carrying on any business (whether on a permanent or temporary basis);

“rate of the total charge for credit” means the rate determined in accordance with the Consumer Credit (Total Charge for Credit) Regulations 1980;

“simple credit advertisement” means an advertisement complying with the requirements of regulation 6;

“simple hire advertisement” means an advertisement complying with the requirements of regulation 14;

“supplier” has the meaning assigned to it by section 189(1) of the Act, save that it does not include, in relation to a hire-purchase, credit sale or conditional sale agreement, a creditor to whom goods, land or other things are sold or proposed to be sold by a dealer before becoming the subject-matter of such an agreement; and

“total amount payable by the debtor” has the meaning assigned to it by paragraph 7 of Schedule 2 to these Regulations.

(3) In these Regulations, references to repayment of credit are references to repayment of credit with or without any other amount.

(4) In these Regulations, any reference to the name of any person is—

- (a) in the case of any person covered by a standard licence, a reference to any name of his specified in the licence; and
- (b) in the case of any other person, a reference to any name under which he carries on business.

(5) Where any expression is used in these Regulations and in the Act, for the purposes of these Regulations that expression shall be construed as if in the Act (except section 8) references to consumer credit agreements and to regulated agreements (being consumer credit agreements) and references to any description of agreement which is a consumer credit agreement or such a regulated agreement included references to personal credit agreements, or to personal credit agreements of that description, being in either case agreements secured on land.

Provisions relating to both credit advertisements and hire advertisements

Application of Regulations

2.—(1) Except as provided in paragraph (2) or (4) below, these Regulations apply to every advertisement to which Part IV of the Act applies and to every advertisement within section 151(1) of the Act indicating that the advertiser is willing—

- (a) to provide credit, or
- (b) to enter into an agreement for the bailment or (in Scotland) the hiring of goods by him.

(2) These Regulations do not apply to any advertisement which—

- (a) whether expressly or by implication indicates clearly that the advertiser is willing to do either of the things referred to in sub-paragraphs (a) and (b) of paragraph (1) above for the purposes of a person's business; and
- (b) does not indicate (whether expressly or by implication) that the advertiser is willing to do either of those things otherwise than for the purposes of such a business, notwithstanding that he may be so willing.

(3) References in paragraph (2) above to a business do not include references to a business carried on by the advertiser or any person acting as a credit-broker in relation to the credit or hire facility to which the advertisement relates.

(4) These Regulations do not apply to an advertisement relating to an agreement in relation to which the creditor is a local authority or a building society, being an agreement of one of the following descriptions, that is to say,—

- (a) agreements within subsection (2) of section 16 of the Act;
- (b) personal credit agreements which would fall within sub-paragraph (a) above if the credit provided thereunder were not to exceed £5,000.

Transitional provisions

3. These Regulations do not apply to any advertisement—

- (a) published in a catalogue, diary or work of reference comprising at least 50 printed pages—

- (i) of which copies are first published, or made available for publication in the ordinary course of business, before 6th April 1981; and
 - (ii) which in a reasonably prominent position either contains the date of its first publication or specifies a period, being a calendar or seasonal period, throughout which it is intended to have effect; or
- (b) published before 6th October 1981 by exhibition of a cinematograph film or by a television broadcast, being an advertisement first so published before 6th April 1981.

Disclosure of representative terms

4.—(1) Where, in any advertisement relating to any description of consumer credit agreement or consumer hire agreement—

- (a) the advertiser indicates that he is willing to enter into transactions of a particular class; and
- (b) any item of information within paragraph (2) below which applies in relation to one transaction differs from an item of the like information which applies in relation to another transaction of the same class,

subject to paragraph 3(2) to (5) of Schedule 2 to these Regulations, there is no contravention of these Regulations if, in that advertisement, there is substituted for such an item representative information specified in paragraph (3) below; and for the purposes of this regulation, a class of transactions means a class determined by reference to the subject matter of the transactions or to the time at which, the circumstances in which or the persons with whom they are made.

(2) The information mentioned in paragraph (1)(b) above is information included in the advertisement in question being—

- (a) information which is required by these Regulations to be so included; or
- (b) information which is so included under regulation 7(1)(d) or 15(1)(c) below.

(3) The information mentioned in paragraph (1) above as being representative information is information which the advertiser may reasonably expect at the date the advertisement is published to be representative of transactions of the class in question, being transactions which he might then reasonably contemplate he would enter into on or after that date, together with an indication that the information is representative information.

PART II

CONTENT OF ADVERTISEMENTS

Credit advertisements

Alternative requirements for credit advertisements

5. An advertisement to which these Regulations apply indicating that the advertiser is willing to provide credit shall be an advertisement complying with the requirements of regulation 6 below (“simple credit advertisement”) or an advertisement complying with those of regulation 7 below (“intermediate credit advertisement”) or an advertisement complying with those of regulation 8 below (“full credit advertisement”).

Simple credit advertisements

6. The requirements of this regulation are—
- (a) that the only indication in the advertisement that the advertiser is willing to provide credit is an indication that he carries on a business within paragraphs (a) to (c) of section 43(2) of the Act in the form of his name and a statement either of an occupation of his or of the general nature of such an occupation; and
 - (b) that the advertisement does not specify the cash price, or other price, of any goods, services, land or other things.

Intermediate credit advertisements

7.—(1) Subject to paragraph (3) below, the requirements of this regulation are—

- (a) that the advertisement contains the information specified in Schedule 1 to these Regulations and in paragraphs 1 and 2 of Schedule 2 to these Regulations which applies in relation to it;
 - (b) in a case to which paragraph 2 of the said Schedule 2 applies and in any other case where the advertisement specifies goods, services, land or other things, having a particular cash price, the acquisition of which from an identified dealer may be financed by credit, that the advertisement contains the information specified in paragraphs 3 and 4 of the said Schedule 2;
 - (c) that the advertisement contains an indication that individuals may obtain on request information in writing about the terms on which the advertiser is prepared to do business;
 - (d) that the advertisement contains no other information indicating that the advertiser is willing to provide credit than any of the additional information specified in paragraph (2) below and subject to the provisions of that paragraph; and
 - (e) that, subject to the preceding provisions of this paragraph, the advertisement contains nothing within paragraphs (a) to (d) of regulation 12 below, except as permitted by that regulation.
- (2) The additional information referred to in sub-paragraph (1)(d) above is—
- (a) an indication within regulation 6(a) above;
 - (b) a statement that credit facilities are, or that a specified category of credit facility is, available from the advertiser;
 - (c) the information specified in paragraphs 3 and 4 of the said Schedule 2;
 - (d) any information specified in paragraphs 10 and 11 of the said Schedule 2;
 - (e) particulars of any restrictions imposed under section 1 of the Emergency Laws (Re-enactments and Repeals) Act 1964(a) (which enables the Secretary of State by order to make provision for restricting excessive credit) or by the Bank of England, being restrictions which apply to the credit advertised, or an indication that such restrictions apply;
 - (f) an indication of one or both of the maximum amount and the minimum amount of credit which the advertiser is willing to provide;

(a) 1964 c. 60.

- (g) where information specified in paragraphs 3 and 4 of the said Schedule 2 but no indication within sub-paragraph (f) above is included in the advertisement, information within one only of the following heads, that is to say,—
- (i) the amount of any advance payment within paragraph 5 of the said Schedule 2 or an indication that no such advance payment is required in relation to the transaction;
 - (ii) the period, or the maximum period, for which credit may be provided;
 - (iii) the frequency of repayments of credit or an indication that repayment of credit is to be made in a lump sum; and
 - (iv) the total amount payable by the debtor in respect of goods, services, land or other things which may be supplied under a transaction financed by credit.

(3) Sub-paragraphs (b) and (c) of paragraph (1) above do not apply to an advertisement relating to fixed-sum credit to be provided under a debtor-creditor-supplier agreement where the cash price of the goods, services, land or other things to be supplied under a transaction financed by the agreement does not exceed £30.

Full credit advertisements

8.—(1) The requirements of this regulation are—

- (a) that, except as provided by paragraphs (2) and (3) below, the advertisement contains the information specified in Schedules 1 and 2 to these Regulations; and
- (b) that the advertisement contains nothing within paragraphs (a) to (d) of regulation 12 below, except as permitted by that regulation.

(2) In the case of a credit advertisement relating to—

- (a) a consumer credit agreement which is an exempt agreement by virtue of section 16(1) and (2) of the Act or by virtue of an order (a) made under those provisions or under section 16(5)(b) of the Act (which respectively provide that the Act does not regulate certain consumer credit agreements secured on land and enable the Secretary of State by order to provide that the Act does not regulate agreements where the rate of the total charge for credit does not exceed the rate so specified); or
- (b) a personal credit agreement by which the creditor provides the debtor with credit exceeding £5,000, being an agreement secured on land,

the requirements of this regulation in relation to the information specified in the said Schedule 2 are that the advertisement contains the information specified in paragraphs 1, 3, 4, 10 and 11 of that Schedule.

(3) In the case of a credit advertisement which invites individuals (being individuals who are, at the date the advertisement is published, debtors under credit agreements made with the advertiser) to agree to a specified variation of those agreements, the requirements of this regulation are that the advertisement shall contain—

- (a) the information specified in the said Schedule 2 which will be varied in relation to those agreements if the invitation is accepted by the debtor; and

- (b) information specified in that Schedule which the advertisement does not indicate will remain unaltered if the invitation is accepted.

Credit advertisements on the premises of a dealer

9.—(1) An advertisement—

- (a) which is conspicuously displayed on any part of the premises of a dealer;
- (b) which relates to credit facilities to finance the purchase of goods or services which may be acquired from that part of those premises; and
- (c) which falls within paragraph 2 of Schedule 2 to these Regulations or which specifies goods or services the acquisition of which from that dealer may be financed by credit,

shall comply with the requirements of regulation 7 or 8 above notwithstanding that it does not contain information within any of paragraphs 2 to 4 of the said Schedule 2 if—

- (i) where the advertisement relates to such goods, there is clearly displayed in close proximity to, or there is clearly marked upon, all such goods displayed on the premises; and
- (ii) where the advertisement relates to such services, there is displayed at any place on those premises at which customers may enquire about them,

all the information within paragraph (2) below without any other information indicating that the goods or services are available on credit.

(2) The information referred to in paragraph (1) above is—

- (a) the cash price and any information within paragraphs 3 and 4 of the said Schedule 2 which is not included in the advertisement with or without an indication within sub-paragraph (f) or (g) of regulation 7(2) above; and
- (b) an indication that other information relating to the supply of goods or services on credit is displayed or available on the premises.

(3) Information within paragraph (2) above which would apart from this regulation fall to be treated as information in an advertisement to which these Regulations apply shall not be treated as such so long as it is displayed or marked in connection with an advertisement within paragraph (1) above.

Advertisements in dealers' catalogues

10.—(1) The preceding provisions of this Part of these Regulations shall not apply to an advertisement contained in, or in a separate document issued with, a publication published by or on behalf of a dealer which relates to goods or services which may be sold or supplied by him in a calendar or seasonal period specified in the publication if the advertisement contains the information prescribed in paragraph (2) below and no other indication that the advertiser is willing to provide credit.

(2) The information referred to in paragraph (1) above is—

- (a) the name and a postal address of the creditor, credit-broker or dealer with or without an indication within regulation 6(a) above, and
- (b) an indication that individuals may obtain on request information in writing about the terms on which the advertiser is prepared to do business.

Disclosure of the rate of the total charge for credit etc.

11. The provisions of Schedule 3 to these Regulations shall have effect for the purposes of the disclosure of the total amount payable by the debtor and the rate of the total charge for credit.

Restrictions on use of certain expressions in credit advertisements

12. An advertisement shall not include—

- (a) the word “overdraft” or any cognate expression as describing any agreement for running-account credit except an agreement which is part of a multiple agreement another part of which relates to an arrangement for a current account under which the debtor may, by means of cheques or similar orders payable to himself or to any other person, obtain or have the use of money held or made available by the creditor and which records alterations in the financial relationship between the creditor and the debtor;
- (b) any word or expression which indicates that the terms of the agreement (or any of them) under which the credit is to be provided by the advertiser or that any condition precedent to the making of such an agreement imposes a lesser expense or obligation on the debtor than any terms, or conditions precedent under or relating to an agreement which any other person indicates he is or may be willing to enter into except in the case of a full credit advertisement where the advertisement indicates in close proximity to that word or expression and with no less particularity and no less prominence than that afforded to that word or expression what those other terms or conditions precedent are and the person who is or may be willing to enter into the agreement to which they relate;
- (c) except in the case of an advertisement relating to credit where the total amount payable by the debtor does not exceed the cash price, any indication that the debtor is liable to pay no greater amount under a transaction financed by credit than he would be liable to pay as a cash purchaser in relation to the like transaction; or
- (d) the expression “no deposit” or any expression to the like effect, except where no payments falling within paragraph 5 of Schedule 2 to these Regulations are to be made by the debtor.

Hire advertisements

Alternative requirements for hire advertisements

13. An advertisement to which these Regulations apply indicating that the advertiser is willing to enter into an agreement for the bailment or (in Scotland) the hiring of goods by him shall be an advertisement complying with the requirements of regulation 14 below (“simple hire advertisement”) or an advertisement complying with those of regulation 15 below (“intermediate hire advertisement”) or an advertisement complying with those of regulation 16 below (“full hire advertisement”).

Simple hire advertisements

14. The requirements of this regulation are—
- (a) that the only indication in the advertisement that the advertiser is willing to enter into an agreement for the bailment or (in Scotland) the hiring of goods by him is an indication that he carries on a business within paragraph (a) or paragraph (c) of section 43(2) of the Act in the form of his name and a statement either of an occupation of his or of the general nature of such an occupation; and
 - (b) that the advertisement does not specify the cash price, or other price, of any goods.

Intermediate hire advertisements

- 15.—(1) The requirements of this regulation are—
- (a) that the advertisement contains the information specified in Schedule 1 to these Regulations and in paragraphs 1 and 2 of Schedule 4 to these Regulations which applies in relation to it;
 - (b) that the advertisement contains an indication that individuals may obtain on request information in writing about the terms on which the advertiser is prepared to do business; and
 - (c) that the advertisement contains no other information indicating that the advertiser is willing to enter into an agreement for the bailment or (in Scotland) the hiring of goods by him than any of the additional information specified in paragraph (2) below and subject to the provisions of that paragraph.
- (2) The additional information referred to in sub-paragraph (1)(c) above is—
- (a) an indication within regulation 14(a) above;
 - (b) information specified in paragraph 3 of the said Schedule 4;
 - (c) particulars of any restrictions imposed under section 1 of the Emergency Laws (Re-enactments and Repeals) Act 1964(a) which apply to the hire facility advertised;
 - (d) information within one only of the following sub-paragraphs, that is to say,—
 - (i) the amount of any advance payment to be made by the hirer mentioned in paragraph 4 of the said Schedule 4 or an indication that no such payment is required in relation to the agreement,
 - (ii) the duration of any hire agreement to which the advertisement relates, and
 - (iii) a statement within paragraph 6 of the said Schedule 4.

Full hire advertisements

- 16.—(1) The requirements of this regulation are—
- (a) that, except as provided by paragraph (2) below, the advertisement contains the information specified in Schedule 1 to these Regulations and in Schedule 4 to these Regulations; and
 - (b) that the advertisement does not contain the expression “no deposit” or any expression to the like effect, except where no payments falling within paragraph 4 of the said Schedule 4 are to be made by the hirer.

(a) 1964 c. 60.

(2) In the case of a hire advertisement which invites individuals (being individuals who, at the date the advertisement is published, are hirers under agreements made with the advertiser) to agree to a specified variation of these agreements, the requirements of this regulation are that the advertisement shall contain—

- (a) the information within the said Schedule 4 which will be varied in relation to the hire facility if the invitation is accepted by the hirer; and
- (b) information specified in that Schedule which the advertisement does not indicate will remain unaltered if the invitation is accepted.

PART III

FORM OF ADVERTISEMENTS

Clarity and form of advertisements

17.—(1) In every advertisement to which these Regulations apply, the information referred to in paragraph (2) below shall be presented clearly and, save as provided by regulation 9 above, by paragraph (3) below and by regulations 18 and 19 below, together as a whole.

(2) The information to which paragraph (1) above applies is—

- (a) information which is required by these Regulations to be included in the advertisement in question; and
- (b) information which is included but is not so required to be included in the advertisement in question, being information which is mentioned in paragraph (2) of regulation 7 or 15 above or in Schedule 2 to these Regulations.

(3) Information within Schedule 1 to these Regulations is not required to be shown together as a whole with information referred to in paragraph (2) above.

Loose-leaf inserts etc.

18. Information referred to in paragraph (2) of regulation 17 above shall in the case of an advertisement in any book, catalogue, leaflet or other document be taken for the purposes of that regulation to be presented together as a whole if any such information which is likely to vary from time to time is set out together as a whole in a separate document issued with the book, catalogue, leaflet or other document and the other information referred to in the said paragraph is shown together as a whole in that book, catalogue, leaflet or other document.

Full credit advertisements in dealers' catalogues etc.

19. Information referred to in paragraph (2) of regulation 17 above which is contained in a full credit advertisement relating to credit to be provided under a debtor-creditor-supplier agreement, being an advertisement contained in a publication published by or on behalf of a dealer which relates to goods or services which may be sold or supplied by him, shall be taken for the purposes of that regulation to be presented together as a whole if—

- (a) the cash price alone or the cash price and the information within each of paragraphs 5, 7, 8 and 9 and, save where under the agreement the total amount payable by the debtor does not exceed the cash price of the goods or services, the acquisition of which is to be financed by credit paragraph 3(1)(a) of Schedule 2 to these Regulations is clearly indicated in close proximity to every description of, or specific reference to, goods or services to which the information relates;
- (b) the information referred to in the said regulation 17(2) which is not indicated in the advertisement in accordance with head (a) above is so presented as to be readily comprehensible as a whole by a prospective debtor and an indication is given in close proximity to any of that information that the information relates to all or specified descriptions of goods or services; and
- (c) except as provided by head (a) above, no information relating to the provision of credit is shown together with the cash price.

Prominence to be afforded to the rate of the total charge for credit

20. Where a statement of the rate of the total charge for credit or a rate determined in accordance with the provisions of Schedule 3 to these Regulations is included in any advertisement to which these Regulations apply, that statement shall be afforded—

- (a) greater prominence than a statement relating to any other rate of charge; and
- (b) no less prominence than a statement relating to—
 - (i) any period,
 - (ii) the amount of any advance payment or the fact that no advance payment is required, or
 - (iii) the amount, number or frequency of any other payments or charges (other than the cash price of goods, services, land or other things) or of any repayments.

Sally Oppenheim,
Minister of State,
Department of Trade.

17th January 1980.

SCHEDULE 1 (Regulations 7, 8, 15 and 16)

*Information in credit and hire advertisements**Advertisement published by creditor or owner*

1.—(1) Where the person who published or procured the publication of an advertisement is the creditor or owner in relation to the credit or hire advertised—

- (a) in the case of any intermediate or full credit or hire advertisement, the name of the creditor or owner;
- (b) in the case of an intermediate credit or hire advertisement, either a postal address to which, or the number of a telephone by means of which, the creditor or owner wishes requests to be made about the terms on which he is prepared to do business, being requests to which regulation 2 of the Consumer Credit (Quotations) Regulations 1980(a) applies;
- (c) in the case of a full credit or hire advertisement, a postal address of the creditor or owner.

(2) Sub-paragraph (1) above applies to any advertisement other than advertisements of the following descriptions, that is to say,—

- (a) advertisements in any form on the premises of a dealer or of the creditor or owner (not being advertisements in writing which customers are intended to take away);
- (b) advertisements which include the name and address of a dealer.

Advertisement published by credit-broker

2.—(1) Where the person who published or procured the publication of an advertisement is a credit-broker in relation to the credit or hire advertised—

- (a) in the case of any intermediate or full credit or hire advertisement, the name of the credit-broker;
- (b) in the case of an intermediate credit or hire advertisement, either a postal address to which, or the number of a telephone by means of which, the credit-broker wishes requests to be made about the terms on which he or the creditor or owner in relation to the credit or hire advertised is prepared to do business, being requests to which regulation 2 of the Consumer Credit (Quotations) Regulations 1980 applies;
- (c) in the case of a full credit or hire advertisement, a postal address of the credit-broker.

(2) Sub-paragraph (1) above applies to any advertisement other than advertisements in any form on the premises of the credit-broker (not being advertisements in writing which customers are intended to take away).

(3) Except where the credit-broker is a body corporate which is an associate of the creditor or owner which is a body corporate, a statement indicating that he is a credit-broker.

SCHEDULE 2 (Regulations 7 and 8)

*Information in credit advertisements**Security etc.*

1.—(1) Where the creditor, in relation to any description of credit agreement which he indicates he is or may be willing to enter into, ordinarily requires the debtor (whether under an agreement or as a condition precedent to the making of an agreement)—

- (a) to provide any security; or

- (b) to place on deposit any sum of money in any account with the creditor or another person; or
- (c) to effect or to agree to maintain a contract of life insurance for the purpose of or with a view to applying all or any part of the monies payable thereunder in repayment of credit provided under the agreement or of the total charge for credit; or
- (d) to effect or to agree to maintain any other contract of insurance, not being a contract of insurance against the risk of loss or damage to goods or land or any risk relating to the use of the goods or land,

before he is provided with credit under the agreement or, as the case may be, before he enters into the agreement, a statement indicating the requirement in question.

(2) In a case to which sub-paragraph (1)(c) above applies, where the creditor—

- (a) is a person who is or may be willing to enter into such a contract of insurance with the debtor or indicates that he is or may be willing to introduce the debtor to a specified person who may be so willing; and
- (b) in relation to the credit agreement referred to in the said sub-paragraph (1)(c), does not permit the debtor to enter into such a contract with a person other than himself or any such specified person,

the following particulars, by way of example, of not less than two such contracts of insurance on the lives of persons of different ages, that is to say, in relation to each contract—

- (i) the age of the person whose life is insured,
- (ii) the term of the policy (other than a term expiring with the death of that person) or the maximum number of premiums payable before the expiry of the term of the contract otherwise than on death, and
- (iii) the amount of each premium and its frequency of payment.

Cash price

2. In the case of an advertisement relating to fixed-sum credit to be provided under a debtor-creditor-supplier agreement, where the advertisement specifies goods, services, land or other things having a particular cash price, the acquisition of which from an identified dealer may be financed by the credit, the cash price of such goods, services, land or other things.

Rate of the total charge for credit etc.

3.—(1) In relation to any credit agreement which the advertiser indicates he is or may be willing to enter into—

- (a) subject to sub-paragraphs (2) to (7) below, the rate of the total charge for credit; or
- (b) an indication that the total amount payable by the debtor does not exceed the cash price of goods, services, land or other things, the acquisition of which is to be financed by credit,

as the case may require.

(2) In the case of an advertisement relating to a debtor-creditor-supplier agreement for running-account credit under which—

- (a) the debtor agrees to pay the creditor an amount specified in the agreement on specified occasions;
- (b) there is a credit limit; and
- (c) charges for credit are—
 - (i) a fixed amount in respect of each transaction, or
 - (ii) calculated as a proportion of the price payable under a transaction financed by the credit,

a statement of the rate of the total charge for credit calculated on the assumption specified in sub-paragraph (3) below and a statement of that rate calculated on the assumption specified in sub-paragraph (4) below.

(3) The first assumption referred to in sub-paragraph (2) above is the assumption that—

(a) the debtor is provided with an amount of credit at the date of the making of the agreement which, taken with the amount of the charge for that credit ascertained at that date, is equal to the credit limit; and

(b) the debtor repays the sum of the amounts referred to in head (a) above by payments of the specified amount on the specified occasions and makes no other payment and obtains no further credit in relation to the account.

(4) The second assumption referred to in sub-paragraph (2) above is the like assumption as in sub-paragraph (3) above save that the sum of the amounts referred to in head (a) thereof shall be taken to be one third of the credit limit.

(5) Regulation 4 shall not apply to a case within sub-paragraph (2) above.

(6) References in this paragraph to the rate of the total charge for credit include references to a rate determined in accordance with the provisions of Schedule 3 to these Regulations.

(7) In the case of an advertisement relating to a debtor-creditor agreement enabling the debtor to overdraw on a current account under which the creditor is the Bank of England, a recognised bank within the meaning of the Banking Act 1979(a), a trustee savings bank within the meaning of section 3 of the Trustee Savings Banks Act 1969(b) or the Post Office in the exercise of its powers to provide banking services, there shall be substituted for the requirement of sub-paragraph (1)(a) above a requirement to state—

(a) a rate, expressed to be a rate of interest, being a rate determined as the rate of the total charge for credit calculated on the assumption that only interest is included in the total charge for credit; and

(b) the nature and amount of any other charge included in the total charge for credit.

Information relating to the rate of the total charge for credit

4.—(1) In the case of any credit advertisement relating to credit in relation to which the rate or amount of any item included in the total charge for credit will or may be varied under the agreement, a statement indicating that the rate or amount will or may be varied.

(2) In the case of any credit advertisement in relation to which the rate of the total charge for credit is based on a total charge for credit which is calculated to take account of any subsidy receivable by any person under Part II of the Housing Subsidies Act 1967(c) (which makes provision for financial assistance for house purchase and improvement), a statement indicating that such subsidy has been taken into account on the basis that Part II of that Act will apply to the agreement under which credit is to be provided.

(3) In the case of any credit advertisement in relation to which the rate of the total charge for credit is based on a total charge for credit which is calculated to take account of relief which may be available under section 19 of the Income and Corporation Taxes Act 1970(d) and Schedule 4 to the Finance Act 1976(e) (which afford relief in respect of premiums under certain contracts of insurance) without any deduction under section 21 of the said Act of 1970, a statement indicating that it has been assumed that such relief may be available.

(a) 1979 c. 37.

(b) 1969 c. 50.

(c) 1967 c. 29.

(d) 1970 c. 10; section 21 was amended by 1976 (c. 40), Schedule 4, paragraph 21.

(e) 1976 c. 40.

Advance payments

5.—(1) In the case of any advertisement relating to credit where one or more payments are to be made by the debtor (whether under an agreement or as a condition precedent to the making of an agreement) before he is provided with credit under the agreement or, as the case may be, before he enters into the agreement, a statement indicating the number and frequency of such payments and the amount of each payment expressed either as a sum of money or as a proportion or multiple of any sum of money specified in the advertisement in connection with any transaction to be financed by the credit.

(2) In sub-paragraph (1) above, "payment" includes any deposit but does not include a repayment of credit or any insurance premium or any amount entering into the total charge for credit.

Payments which may or may not be payable by the debtor

6.—(1) In the case of any advertisement relating to credit in respect of which the liability of the debtor to make any payment cannot be ascertained at the date the advertisement is published, a statement indicating the description of payment in question and the circumstances in which the liability to make it will arise.

(2) Sub-paragraph (1) above does not apply to—

- (a) any charge payable under the transaction to the creditor upon failure by the debtor or a relative of his to do or refrain from doing anything which he is required to do or refrain from doing, as the case may be; and
- (b) any charge—
 - (i) which is payable by the creditor to any person upon failure by the debtor or a relative of his to do or refrain from doing anything which he is required under the transaction to do or refrain from doing, as the case may be, and
 - (ii) which the creditor may under the transaction require the debtor or a relative of his to pay to him or another person on his behalf.

Total amount payable by the debtor

7.—(1) Subject to sub-paragraphs (2) and (3) below, in the case of an advertisement relating to fixed-sum credit other than credit which is not repayable at specified intervals or in specified amounts, the total amount payable by the debtor, being the sum of all payments to be made by or on behalf of the debtor which fall within any of the following, that is to say,—

- (a) advance payments within paragraph 5 above;
- (b) the amount of credit repayable by the debtor; and
- (c) the amount of the total charge for credit or that amount determined in accordance with paragraph 1 of Schedule 3 to these Regulations.

(2) In the case of such an advertisement relating to an agreement under which—

- (a) the amount of the payments of interest charged is determined by reference to the balance of credit outstanding established at periodic intervals; and
- (b) the total charge for credit may differ as between that agreement and any other agreement of the same description by virtue of the time when the credit is provided,

the total amount payable by the debtor may be calculated in accordance with sub-paragraph (1) above as if for the reference to the amount of the total charge for credit there were substituted a reference to an amount which exceeds the total charge for credit under that agreement but which does not exceed the highest amount of the total charge for credit under any other such agreement; and in making that calculation it shall be assumed that every day is a working day.

(3) Sub-paragraph (1) above does not apply where the cash price of goods, services, land or other things, the acquisition of which is to be financed by credit to which the advertisement relates, is not less than the sum of the payments within sub-paragraph (1)(a) to (c) above which are to be made in relation to their acquisition.

Frequency and number of payments

8.—(1) A statement indicating the frequency of the repayments of credit expressed as—

- (a) the period in respect of which each repayment is to be made; or
- (b) the dates on which repayments are to be made; or
- (c) a statement that the credit and the total charge for credit are repayable in a single lump sum at the end of a specified period or on the happening of a specified event; or
- (d) in a case not falling within heads (a) to (c) above, a statement indicating the requirements of the credit agreement in respect of the frequency of repayments of credit,

as the case may require.

(2) In the case of an advertisement relating to fixed-sum credit other than credit which is not repayable at specified intervals or in specified amounts, either—

- (a) the number of repayments or, where that number cannot be ascertained, the maximum number; or
- (b) the period over which the repayments are to be made or, where that period cannot be ascertained, the maximum period.

Amount of repayments

9.—(1) Subject to sub-paragraphs (2) and (3) below, in the case of an advertisement relating to credit repayable by two or more repayments, a statement indicating the amount of each repayment expressed as a sum of money or as a specified proportion of a specified amount (including the amount outstanding from time to time).

(2) In a case where, at the date of publication of the advertisement, the amount of any repayment cannot be expressed in accordance with sub-paragraph (1) above, the advertisement shall not contravene that sub-paragraph if, in relation to that repayment, in place of the information specified therein, an indication is given of the manner in which the amount of that repayment will be determined.

(3) In the case of an advertisement relating to an agreement—

- (a) under which all repayments but one are equal and that one repayment does not differ from any other repayment by more whole pence than there are repayments of credit; or
- (b) under which the last repayment is unequal in that it is smaller than any of the others,

the amount of the unequal repayment shall, for the purposes of sub-paragraph (1) above, be treated as being of the amount of each of the other repayments.

Restricted offers

10. In the case of any advertisement relating to credit which is available only to, or on terms which are applicable only to, persons who fall within any class or group, a statement of that fact identifying that class or group.

Different treatment of cash and credit purchasers

11. In the case of any advertisement where any creditor, dealer or credit-broker—

- (a) offers to persons proposing to acquire, otherwise than by way of the credit advertised, any inducement to acquire any goods, services, land or other things which he does not also offer to those proposing to acquire by way of such credit; or
- (b) offers to provide any service or benefit incidental to the supply of goods, services, land or other things to persons acquiring otherwise than by way of the credit advertised which he does not offer to those proposing to acquire by way of such credit,

a statement indicating in what respect persons acquiring otherwise than by way of such credit are treated differently from those acquiring by way of such credit.

(Regulation 11)

SCHEDULE 3

*Provisions relating to disclosure of the total amount payable by the debtor and the rate of the total charge for credit**Use of representative information in calculation of the total charge for credit and the rate thereof*

1.—(1) Where, in the case of an advertisement relating to any description of consumer credit agreement,—

- (a) the amount of any charge required to be included in the total charge for credit in respect of any transaction within a particular class of transactions is not ascertainable at the date when the advertisement is published or differs from the amount which applies in relation to another transaction within the same class; or
- (b) any other fact required for such calculation is not ascertainable at that date or is different from a comparable fact in relation to another transaction within the same class,

there shall be included in the total charge for credit an amount in respect of that charge which, having regard to the amounts and facts which apply to other transactions within the same class, is representative of the charges which the advertiser might reasonably expect at the date the advertisement is published would apply in relation to transactions of the class in question, being transactions which he might reasonably contemplate he would enter into on or after that date.

(2) If this paragraph is applied in relation to the amount of any charge or to any other fact—

- (a) a sum in the determination of which any such amount or fact is employed shall not be taken to be the amount of the total charge for credit; and
- (b) a rate of charge in the determination of which any such amount or fact is employed shall not be expressed to be the rate of the total charge for credit,

unless the advertisement either—

- (i) identifies any such amount or fact and quantifies so far as practicable any such amount; or
- (ii) contains an indication within regulation 4(3) above.

(3) For the purposes of this paragraph, a class of transactions means a class determined by reference to the subject-matter of the transactions or to the time at which, the circumstances in which or the persons with whom they are made.

Permissible tolerances in disclosure of the rate of the total charge for credit

2. For the purposes of these Regulations, it shall be sufficient compliance with the requirement to show the rate of the total charge for credit if there is included in the advertisement—

- (a) a rate which exceeds the rate of the total charge for credit by not more than one; or
- (b) a rate which falls short of the rate of the total charge for credit by not more than 0.1; or
- (c) in a case to which any of paragraphs 3 to 6 below applies, a rate determined in accordance with the paragraph or such of them as apply to that case.

Tolerance where credit repayable in nearly equal instalments

3. In the case of an agreement under which all repayments but one are equal and that one repayment does not differ from any other repayment by more whole pence than there are repayments of credit, there may be included in an advertisement relating to the agreement a rate found under any of regulations 7, 9 and 10 of the Consumer Credit (Total Charge for Credit) Regulations 1980(a) as if that one repayment were equal to the other repayments to be made under the agreement.

Tolerance where interval between relevant date and first repayment greater than interval between repayments

4.—(1) Subject to sub-paragraph (2) below, in the case of an agreement under which—

- (a) the credit and the total charge for credit are repayable by three or more repayments at equal intervals; and
- (b) the interval between the relevant date and the first repayment is greater than the interval between repayments,

there may be included in an advertisement relating to the agreement a rate found under any of regulations 7, 9 and 10 of the Consumer Credit (Total Charge for Credit) Regulations 1980 as if the interval between the relevant date and the first repayment were shortened so as to be equal to the interval between repayments; and in this paragraph “relevant date” means, in a case where a date is specified in or determinable under the agreement at the date of its making as that on which the debtor is entitled to require provision of anything the subject of the agreement, the earliest such date and, in any other case, the date of the making of the agreement.

(2) Sub-paragraph (1) above applies only where the interval between the relevant date and the first repayment is greater than the interval between repayments by no more than one month or one such interval whichever is the less.

Tolerance where Consumer credit tables do not exactly apply

5.—(1) In a case where, in relation to any agreement, the charge per pound lent, the flat rate or the period rate of charge, as the case may be, is not exactly represented by an entry in a table contained in the Consumer credit tables, there may be included in an advertisement relating to the agreement a rate found by applying the next greater entry appearing in those tables for the purposes of calculating that rate.

(2) In sub-paragraph (1) above “charge per pound lent”, “flat rate” and “period rate of charge” have the meanings assigned to them by the relevant Introduction or Instructions contained in the Consumer credit tables.

Tolerance where period rate of charge is charged

6. In the case of an agreement to which regulation 7(1) of the Consumer Credit (Total Charge for Credit) Regulations 1980 (agreements under which a period rate of charge is charged) applies, there may be included in an advertisement relating to the agreement a rate, being the rate of the total charge for credit determined as if no account were taken of any amount by which the total amount of the charges included in the total charge for credit in relation to each period is varied so as to bring that amount to the nearest whole penny, one half-penny being for this purpose expressed to the next higher whole penny.

SCHEDULE 4 (Regulations 15 and 16)
Information in hire advertisements

Nature of transaction

1. A statement indicating that the transaction advertised is the hire of goods.

Security etc.

2. Where the owner, in relation to any description of hire agreement which he indicates he is or may be willing to enter into ordinarily requires the hirer (whether under an agreement or as a condition precedent to the making of an agreement)—

- (a) to provide any security; or
- (b) to place on deposit any sum of money in any account with the owner or another person; or

(c) to effect or to agree to maintain any contract of insurance not being a contract of insurance against the risk of loss or damage to the goods hired or any risk relating to the use of the goods, before he is entitled under the agreement to take possession of the goods to be hired or, as the case may be, before he may enter into the agreement, a statement indicating the requirement in question.

Restricted offers

3. In the case of any advertisement relating to a hire facility which is available only to, or on terms which are applicable only to, persons who fall within any class or group, a statement of that fact identifying that class or group.

Advance payments

4.—(1) In the case of an advertisement relating to hire where any payment is to be made by the hirer (whether under an agreement or as a condition precedent to the making of an agreement) before he is under the agreement to take possession of the goods to be hired or, as the case may be, before he enters into the agreement, a statement indicating—

- (a) where more than one such payment is to be made—
 - (i) the number of such payments; and
 - (ii) the period in respect of which each such payment is to be made or, where such period is of the same duration as those periods in relation to which payments are to be made after the hirer is under the agreement to take possession of the goods to be hired, that that is the case; and
- (b) whatever the number of payments to be made, the amount of each payment, expressed either—
 - (i) as a sum of money; or
 - (ii) as a proportion or multiple of a sum of money specified in the advertisement in some other connection.

(2) In sub-paragraph (1) above, “payment” includes any deposit.

Duration of hire

5. In a case where goods are to be hired under the agreement for a fixed period or a minimum period, a statement indicating that that is the case and specifying the duration of that period.

Frequency of payments

6. A statement indicating the period in relation to which each hire payment, not being a payment within paragraph 4(1) above, is to be made.

Amount of payments

7.—(1) A statement indicating the amount of each hire payment (not being a payment within sub-paragraph 4(1) above) payable under the agreement.

- (2) In a case where the amount of any hire payment—
 - (a) will or may be varied by the owner under a power contained in the agreement; or
 - (b) will or may be varied upon the happening of an event except to take account only of changes in the rate of value added tax (including a change from no tax being chargeable);

in the case of a payment within head (a) above, a statement indicating that that is the case and the circumstances in which the creditor may exercise the power and, in the case of a payment within head (b) above, an indication of the event in question.

Ancillary charges

8.—(1) Except as provided in sub-paragraph (2) below, a statement indicating the description and amount of any charges (other than charges within paragraphs 4 and 7 above) payable under the hire transaction by or on behalf of the hirer or a relative of his whether to the owner or any other person notwithstanding that the whole or part of the charge may be repayable at any time or that the consideration therefor may include matters not within the transaction or subsisting at a time not within the duration of the agreement; and in this paragraph “transaction” means a consumer hire agreement, any transaction which is a linked transaction by virtue of section 19(1)(a) of the Act, any contract for the provision of security relating to the agreement and any other contract to which the hirer or a relative of his is a party and which the owner requires to be made or maintained as a condition of the making of the agreement.

(2) Sub-paragraph (1) above does not apply to the following charges—

(a) any charge payable under the transaction to the owner upon failure by the hirer or a relative of his to do or to refrain from doing anything which he is required to do or to refrain from doing, as the case may be;

(b) any charge—

(i) which is payable by the owner to any person upon failure by the hirer or a relative of his to do or to refrain from doing anything which he is required under the transaction to do or to refrain from doing, as the case may be, and

(ii) which the owner may under the transaction require the hirer or a relative of his to pay to him or to another person on his behalf;

(c) any charge—

(i) of a description which relates to services or benefits incidental to the agreement and also to other services or benefits which may be supplied to the hirer, and

(ii) which is payable pursuant to an obligation incurred by the hirer under arrangements effected before he applies to enter into the agreement, not being arrangements under which the hirer is bound to enter into any hire agreement;

(d) subject to sub-paragraph (3) below, any charge under arrangements for the care, maintenance or protection of goods;

(e) a premium under a contract of insurance made before the hirer applies to enter into the agreement; and

(f) subject to sub-paragraph (3)(b) below, a premium under any other contract of insurance.

(3) Sub-paragraph (2) above has effect only—

(a) in the case of a charge within head (d) of that sub-paragraph where, in pursuance of the arrangements—

(i) the services are to be performed if, after the date of the making of the agreement, the condition of the goods becomes or is in immediate danger of becoming such that the goods cannot reasonably be enjoyed or used, and

(ii) the charge will not accrue unless the services are performed; and

(b) in the case of any other charge within head (d) or head (f) of that sub-paragraph—

(i) where provision of substantially the same description as that to which the arrangements or contract of insurance relate is available under comparable arrangements from a person who is not the owner or a credit-broker who introduced the hirer and the owner, and

(ii) where the arrangements or contract of insurance are made with a person chosen by the hirer, and

- (iii) if, in accordance with the transaction, the consent of the owner or of the credit-broker who introduced the hirer and the owner is required to the making of the arrangements or contract of insurance, where the transaction provides that such consent may not be unreasonably withheld whether because no incidental benefit will or may accrue to the owner or to the credit-broker or on any other ground,

and references in this paragraph to the owner and a credit-broker include references to his near relative, his partner and a member of a group of which he is a member, to any person nominated by him or any such person in relation to the arrangements or the contract of insurance, and to a near relative of his partner; and "near relative" means, in relation to any person, the husband, wife, father, mother, brother, sister, son or daughter of that person and "group" means the person (including a company) having control of a company together with all the companies directly or indirectly controlled by him.

Variation of charges

9. Where any payment or charge referred to in paragraph 8(1) above may be varied under the hire agreement except to take account only of changes in the rate of value added tax (including a change from no tax being chargeable), a statement indicating that this is the case.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations govern advertisements published by persons carrying on consumer credit businesses, consumer hire businesses and businesses in the course of which credit secured on land is provided to individuals. They also apply to certain advertisements published by credit-brokers.

Part II (Content of Advertisements) prescribes the information to be given in different categories of advertisement. Part III contains provisions relating to the form of advertisements.

The "Consumer credit tables" (Parts 1 to 15) referred to in Schedule 3 may be obtained from Her Majesty's Stationery Office or through booksellers.