
STATUTORY INSTRUMENTS

1999 No. 2725

The Consumer Credit (Content of Quotations) and Consumer Credit (Advertisements) (Amendment) Regulations 1999

PART II

CONTENT OF QUOTATIONS

Interpretation of Part II

2.—(1) In this Part—

“the Act” means the Consumer Credit Act 1974;

“quotation” means any document by which a person gives a prospective customer information about the terms on which he is prepared to do business, but does not include—

- (a) any document which is also an advertisement to which Part IV of the Act applies or an advertisement to which sections 44 to 47 of the Act are applied by section 151(1);
- (b) any document given to a prospective customer under section 58 of the Act (opportunity for withdrawal from prospective land mortgage);
- (c) any document sent to a prospective customer for signature which embodies the terms (or such of them as it is intended to reduce to writing) of a prospective personal credit agreement or a prospective agreement for the bailment of goods; or
- (d) any copy of an unexecuted agreement delivered or sent to a prospective customer under section 62 of the Act (duty to supply copy of unexecuted agreement);

“secured” means secured by a mortgage or charge or, in Scotland, by a standard security within the meaning of the Conveyancing and Feudal Reform (Scotland) Act 1970(1);

“the specified form” means—

- (a) in capital letters;
- (b) clear and legible; and
- (c) prominent; and

“trader” means a person who carries on one or more of the following—

- (a) a consumer credit business;
- (b) a consumer hire business; and
- (c) a business in the course of which he provides credit to individuals secured on land.

(2) Any reference in these Regulations to bailment is in Scotland a reference to hiring.

(3) In these Regulations, references to a trader or credit-broker providing a quotation to a prospective customer include—

- (a) a trader or credit-broker providing a quotation through a person acting on his behalf; and

- (b) a trader or credit-broker providing a quotation to a person acting on behalf of a prospective customer;
- and providing a quotation includes making one available temporarily.

Credit agreements secured on the customer's home

3. A trader shall, when he provides a quotation to a prospective customer in connection with a prospective personal credit agreement which would or might be secured on the prospective customer's home, include in that quotation or cause to be included—

- (a) a statement that such security would or might be required; and
- (b) the following statement in the specified form—

“Your home is at risk if you do not keep up repayments on a mortgage or other loan secured on it.”.

Foreign currency credit agreements secured on land

4. A trader shall, when he provides a quotation to a prospective customer in connection with a prospective personal credit agreement which would be secured on land and under which repayments of credit would be made in a currency other than sterling, include in that quotation the following statement in the specified form, or cause it to be included—

“The sterling equivalent of your liability under a foreign currency mortgage may be increased by exchange rate movements.”.

Hire agreements secured on the customer's home

5. A trader shall, when he provides a quotation to a prospective customer in connection with a prospective agreement for the bailment of goods which would or might be secured on the prospective customer's home, include in that quotation or cause to be included—

- (a) a statement that such security would or might be required; and
- (b) the following statement in the specified form—

“Your home is at risk if you do not keep up payments on a hire agreement secured by a mortgage or other security on your home.”.

Quotations provided by credit-brokers

6.—(1) This regulation applies where—

- (a) a credit-broker provides a quotation to an individual (“the prospective customer”); and
- (b) the quotation is provided in connection with, and relates to, a prospective agreement between the prospective customer and a person to whom the credit-broker effects introductions.

(2) Where the prospective agreement is a personal credit agreement which would or might be secured on the prospective customer's home, the credit-broker shall include in the quotation or cause to be included—

- (a) a statement that such security would or might be required; and
- (b) the following statement in the specified form—

“Your home is at risk if you do not keep up repayments on a mortgage or other loan secured on it.”.

(3) Where the prospective agreement is a personal credit agreement which would be secured on land and under which repayments of credit would be made in a currency other than sterling, the credit-broker shall include in the quotation the following statement in the specified form, or cause it to be included—

“The sterling equivalent of your liability under a foreign currency mortgage may be increased by exchange rate movements.”

(4) Where the prospective agreement is an agreement for the bailment of goods which would or might be secured on the prospective customer’s home, the credit-broker shall include in the quotation or cause to be included—

- (a) a statement that such security would or might be required; and
- (b) the following statement in the specified form—

“Your home is at risk if you do not keep up payments on a hire agreement secured by a mortgage or other security on your home.”