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STATUTORY INSTRUMENTS

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**2000 No. 2334**

**The Consumer Protection (Distance Selling) Regulations 2000**

**Automatic cancellation of a related credit agreement**

**15.**—(1) Where a notice of cancellation is given under regulation 10 which has the effect of cancelling the contract, the giving of the notice shall also have the effect of cancelling any related credit agreement.

(2) Where a related credit agreement is cancelled by virtue of paragraph (1), the supplier shall, if he is not the same person as the creditor under that agreement, forthwith on receipt of the notice of cancellation inform the creditor that the notice has been given.

(3) Where a related credit agreement is cancelled by virtue of paragraph (1)—

- (a) any sum paid by or on behalf of the consumer under, or in relation to, the credit agreement which the supplier is not obliged to reimburse under regulation 14(1) shall be reimbursed, except for any sum which, if it had not already been paid, would have to be paid under subparagraph (b);
- (b) the agreement shall continue in force so far as it relates to repayment of the credit and payment of interest, subject to regulation 16; and
- (c) subject to subparagraph (b), the agreement shall cease to be enforceable.

(4) Where any security has been provided under a related credit agreement, the security, so far as it is so provided, shall be treated as never having had effect and any property lodged with the creditor solely for the purposes of the security as so provided shall be returned by him forthwith.

(5) For the purposes of this regulation and regulation 16, a “related credit agreement” means an agreement under which fixed sum credit which fully or partly covers the price under a contract cancelled under regulation 10 is granted—

- (a) by the supplier, or
- (b) by another person, under an arrangement between that person and the supplier.

(6) For the purposes of this regulation and regulation 16—

- (a) “creditor” is a person who grants credit under a related credit agreement;
- (b) “fixed sum credit” has the same meaning as in section 10 of the Consumer Credit Act 1974(1);
- (c) “repayment” in relation to credit means repayment of money received by the consumer, and cognate expressions shall be construed accordingly; and
- (d) “interest” means interest on money so received.