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STATUTORY INSTRUMENTS

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**2004 No. 1482**

**CONSUMER CREDIT**

**The Consumer Credit (Agreements)  
(Amendment) Regulations 2004**

<i>Made</i>	- - - -	<i>5th June 2004</i>
<i>Laid before Parliament</i>		<i>9th June 2004</i>
<i>Coming into force</i>	- -	<i>31st May 2005</i>

The Secretary of State, in exercise of the powers conferred upon her by sections 60, 61(1)(a), 105(9), 114(1), 182(2) and 189(1) of the Consumer Credit Act 1974(1), hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Consumer Credit (Agreements) (Amendment) Regulations 2004 and shall come into force on 31st May 2005.

**Amendment of the Consumer Credit (Agreements) Regulations 1983**

2. The Consumer Credit (Agreements) Regulations 1983(2) shall be amended as follows.

3.—(1) Regulation 1(2) (interpretation) shall be amended as follows.

(2) Insert at the appropriate place—

““contract of shortfall insurance” means anything in writing which contains or purports to contain some promise or assurance (however worded or presented) that if a sum payable under a contract of insurance against loss of or damage to goods is less than the amount necessary to defray—

(a) any amount of credit provided to finance the purchase of those goods; and

(b) any other amount included in the total charge for that credit,

to the extent that these remain unpaid at the date of the loss or damage, a sum up to but not exceeding that shortfall will be paid.””

(3) In the definition of “total charge for credit” after the words “Total Charge for Credit Regulations” insert “and Schedule 7 to these Regulations”.

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(1) 1974 c. 39; section 189(1) is cited for the definitions of “prescribed”, and “regulations”.

(2) S.I. 1983/1553, amended by S.I. 1984/1600, 1985/666, 1988/2047, 1999/3177 and 2001/3649.

4. For regulation 2 (form and content of regulated consumer credit agreements) substitute—

**“Form and content of regulated consumer credit agreements**

2.—(1) Subject to paragraphs (2) and (9) below, documents embodying regulated consumer credit agreements (other than modifying agreements) shall contain the information set out in Column 2 of Schedule 1 to these Regulations in so far as it relates to the type of agreement referred to in Column 1.

(2) Where any information about financial and related particulars set out in paragraphs 9 to 11 of Schedule 1 to these Regulations cannot be exactly ascertained by the creditor, estimated information based on the assumptions referred to in paragraph 10 of that Schedule, where applicable, and otherwise such assumptions as the creditor may reasonably make in all the circumstances of the case and a statement of the assumptions made shall be included in documents embodying regulated consumer credit agreements.

(3) Subject to paragraph (9) below, documents embodying regulated consumer credit agreements, other than agreements of the description specified in the Schedule to the Consumer Credit (Notices of Cancellation Rights) (Exemptions) Regulations 1983<sup>(3)</sup> in relation to which there are no charges forming part of the total charge for credit (in this regulation referred to as “exempted agreements”), shall contain statements of the protection and remedies available to debtors under the Act, in the Form numbered in Column 1 of Part 1 of Schedule 2 to these Regulations and set out in Column 3, in so far as they relate to the type of agreement referred to in Column 2.

(4) Subject to paragraphs (5) and (9) below, the information, statements of the protection and remedies, signature and separate boxes which this regulation requires documents embodying regulated consumer credit agreements to contain, shall be set out in the order given by paragraphs (a) to (f) below under, where applicable, the headings specified below—

- (a) the nature of the agreement as set out in paragraph 1 of Schedule 1 to these Regulations;
- (b) the parties to the agreement as set out in paragraph 2 of Schedule 1 to these Regulations;
- (c) under the heading “Key Financial Information”, the financial and related particulars set out in paragraphs 6 to 8B and 11 to 17 of Schedule 1 to these Regulations;
- (d) under the heading “Other Financial Information”, the financial and related particulars set out in paragraphs 3 to 5, 9, 10, 14A and 18 to 19A of Schedule 1 to these regulations;
- (e) under the heading “Key Information”—
  - (i) the information set out in paragraphs 20 to 24 of Schedule 1 to these Regulations; and
  - (ii) the statements of protection and remedies set out in Schedule 2 to these Regulations; and
- (f) the signature box and, where applicable, the separate box required by paragraph (7)(b) below;

and such information, statements of protection and remedies, signature and separate boxes shall be shown together as a whole and shall not be preceded by any information apart from trade names, logos or the reference number of the agreement or interspersed with any other

information or wording apart from subtotals of total amounts and cross references to the terms of the agreement.

(5) In the case of documents embodying restricted-use debtor-creditor-supplier agreements for fixed-sum credit to finance a transaction comprising the acquisition of goods, services, land or other things specified in the agreement or identified and agreed on at the time the agreement is made and relating to more than one description of goods, services, land or other things, the cash prices, and the total cash price, referred to in paragraph 4 of Schedule 1 to these Regulations may be shown in a schedule to such document together with each description of the goods, services, land or other things, provided that the total cash price and a reference to the schedule to such document are shown together with the information required by paragraph (4)(d) above.

(6) The APR referred to in paragraphs 15 to 17 of Schedule 1 to these Regulations shall in documents embodying regulated consumer credit agreements, other than exempted agreements—

- (a) be denoted as “APR” or “annual percentage rate” or “annual percentage rate of the total charge for credit; and
- (b) where it is subject to change, be accompanied by the word “variable”.

(7) Documents embodying regulated consumer credit agreements other than exempted agreements shall, subject to paragraph (9) below, contain a signature box in the Form numbered in Column 1 of Part 1 of Schedule 5 to these Regulations and set out in Column 3 in so far as it relates to the type of agreement referred to in Column 2 and shall—

- (a) if—
  - (i) the documents embody a principal agreement and subsidiary agreement to which paragraph (9) below applies; or
  - (ii) at the time of entering into the agreement the debtor is also purchasing an optional contract of insurance which will be financed by credit advanced under that agreement,

contain a form of consent in the Form set out in Part III of Schedule 5 immediately below the signature box required by this paragraph; and

- (b) if the agreement is one to which section 58(1) of the Act applies, is a cancellable agreement or is an agreement under which a person takes any article in pawn and under which the pawn-receipt is not separate from the document embodying the agreement, contain a separate box immediately above, below or adjacent to the signature box in which shall be included the appropriate statements specified in Forms 1 and 4 to 6 of Part 1, and in Part II, of Schedule 2.

(8) Paragraph (9) applies to documents embodying a debtor-creditor-supplier agreement falling within section 12(a) of the Act or a debtor-creditor agreement (in this paragraph and paragraph (9) in either case referred to as “the principal agreement”) and also embodying, or containing the option of, a debtor-creditor-supplier agreement falling within section 12(b) of the Act (in this paragraph and paragraph (9) referred to as “the subsidiary agreement”) where the subsidiary agreement is to finance a premium under one or more of—

- (a) a contract of insurance to provide a sum payable in the event of the death of a debtor or a debtor suffering one or more of the following:—
  - (i) accident;
  - (ii) sickness; and
  - (iii) unemployment,

at any time before the credit under the principal agreement and the subsidiary agreement has been repaid, where the sum payable does not exceed the amount sufficient to defray the sums payable to the creditor in respect of that credit and of the total charge for credit and where the policy monies payable under the contract of insurance are to be used for a repayment under the principal agreement and the subsidiary agreement;

(b) a contract of shortfall insurance; and

(c) a contract of insurance in so far as it relates to the guarantee of goods.

(9) Documents to which this paragraph applies may contain instead of the headings specified in paragraph 1 of Schedules 1 or 8 to these Regulations, statements of protection and remedies available to debtors under the Act and signature boxes that would otherwise apply—

(a) a heading and signature box in so far as they relate to the principal agreement;

(b) a statement in Form 14 of Part I of Schedule 2 to these Regulations; and

(c) other statements (other than in Form 16 of Part I of Schedule 2) of the protection and remedies available to debtors under the Act in so far as they relate to the principal agreement.

(10) Documents embodying regulated consumer credit agreements shall embody any security provided in relation to the regulated agreement by the debtor.”.

**5.—**(1) Regulation 3 (form and content of regulated consumer hire agreements) shall be amended as follows.

(2) For paragraph 4 substitute—

“(4) Subject to paragraph (5) below the information, statements of the protection and remedies, signature and separate boxes which this regulation requires documents embodying regulated consumer hire agreements to contain, shall be set out in the order given by paragraphs (a) to (e) below under, where applicable, the headings specified below:—

(a) the nature of the agreement as set out in paragraph 1 of Schedule 3 to these Regulations;

(b) the parties to the agreement as set out in paragraph 2 of Schedule 3 to these Regulations;

(c) under the heading “Key Financial Information”, the financial and related particulars set out in paragraphs 3 to 8 of Schedule 3 to these Regulations;

(d) under the heading “Key Information”—

(i) the information set out in paragraphs 9 to 11 of Schedule 3 to these Regulations; and

(ii) the statements of protection and remedies set out in Schedule 4 to these Regulations; and

(e) the signature box and, where applicable, the separate box required by paragraph (6) below,

and such information, statements of protection and remedies, signature and separate boxes shall be shown together as a whole and shall not be preceded by any information apart from trade names, logos or the reference number of the agreement or interspersed with any other information or wording apart from subtotals of total amounts and cross references to the terms of the agreement.”.

(3) In paragraph 5 for the words “paragraphs 4 to 8 of Schedule 3” substitute “paragraph (4) (c) above”.

6. In regulation 4(b) (pawn-receipts) for the words “numbered 16” substitute “numbered 18”.
7. In regulation 5(4) (statutory forms) omit the words “the APR,”.
8. For regulation 6(2) (signing of the agreement) substitute—
  - “(2) The lettering of the terms of the agreement included in the document referred to in section 61(1)(a) of the Act, containing all the prescribed terms of the regulated agreement, and of the information contained in that document for the purpose of conforming to these Regulations shall—
    - (a) apart from any signature, be easily legible and, where applicable, be of a colour which is readily distinguishable from the background medium upon which the information is displayed; and
    - (b) apart from that inserted in handwriting, be of equal prominence, except that headings, trade names and names of parties to the agreement may be afforded more prominence whether by capital letters, underlining, larger or bold print or otherwise.”.
- 9.—(1) Regulation 7 (modifying agreements which are, or are treated as, regulated agreements) shall be amended as follows.
  - (2) For paragraph (3) substitute—
    - “(3) Where any information about financial and related particulars set out in paragraphs 8 to 10 of Part 1 of Schedule 8 to these Regulations cannot be exactly ascertained by the creditor, estimated information based on the assumptions referred to in paragraph 9 of that Schedule, where applicable, and otherwise such assumptions as the creditor may reasonably make in all the circumstances of the case and a statement of the assumptions made shall be included in documents embodying modifying agreements varying or supplementing earlier credit agreements.”.
  - (3) For paragraph (4) substitute—
    - “(4) Subject to paragraph (5) below and regulation 2(9), the information, statements of the protection and remedies, signature and separate boxes which under these Regulations must be contained in documents embodying modifying agreements varying or supplementing earlier credit agreements in relation to the credit being provided under the modifying agreement, shall be set out in the order given by paragraphs (a) to (f) below under, where applicable, the headings specified below—
      - (a) the nature of the agreement as set out in paragraph 1 of Part 1 of Schedule 8 to these Regulations;
      - (b) parties to the agreement as set out in paragraph 2 of Part 1 of Schedule 8 to these Regulations;
      - (c) under the heading “Key Financial Information”, the financial and related particulars set out in paragraphs 5 to 7B and 10 to 17 of Part 1 of Schedule 8 to these Regulations;
      - (d) under the heading “Other Financial Information”, the financial and related particulars set out in paragraphs 3, 4, 8, 9, 13A and 18 – 19A of Part 1 of Schedule 8 to these Regulations;
      - (e) under the heading “Key Information”—
        - (i) the information set out in paragraphs 20 to 23 of Part 1 of Schedule 8 to these Regulations; and
        - (ii) the statements of protection and remedies set out in Schedule 2 to these Regulations; and

- (f) the signature box and, where applicable, separate box required by regulation 2(7)(b),

and such information, statements of protection and remedies, signature and separate boxes shall be shown together as a whole and shall not be preceded by any information apart from trade names, logos or the reference number of the agreement or interspersed with any other information or wording apart from subtotals of total amounts and cross references to the terms of the agreement.”.

(4) In paragraph (5) for the words “remaining financial and related particulars” to the end of the paragraph substitute “the information required by paragraph (4)(d) above.”.

(5) For paragraph (6)(b) substitute—

“(b) where it is subject to change, be accompanied by the word “variable”.”.

(6) For paragraph 11 substitute—

“(11) The information, statements of the protection and remedies, signature and separate boxes which under these Regulations must be contained in documents embodying modifying agreements varying or supplementing earlier hire agreements in relation to the goods to be bailed or hired under the modifying agreement, shall be set out in the order given by paragraphs (a) to (e) below under, where applicable, the headings specified below—

- (a) the nature of the agreement as set out in paragraph 1 of Part II of Schedule 8 to these Regulations;
- (b) the parties to the agreement as set out in paragraph 2 of Part II of Schedule 8 to these Regulations;
- (c) under the heading “Key Financial Information”, the financial and related particulars set out in paragraphs 3 to 8 of Part II of Schedule 8 to these Regulations;
- (d) under the heading “Key Information”—
  - (i) the information set out in paragraphs 9 to 11 of Part II of Schedule 8 to these Regulations; and
  - (ii) the information set out in Schedule 4 to these Regulations; and
- (e) the signature box and, where applicable, separate box required by regulation 3(6).

and such information, statements of protection and remedies, signature and separate boxes shall be shown together as a whole and shall not be preceded by any information apart from trade names, logos or the reference number of the agreement or interspersed with any other information or wording apart from subtotals of total amounts and cross references to the terms of the agreement.”.

**10.—**(1) Schedule 1 (information to be contained in documents embodying regulated consumer credit agreements other than modifying agreements) shall be amended as follows.

(2) For paragraph 1 substitute—

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“1.	All types.	(1) Subject to paragraph (2) below, a heading in one of the following forms of words— <ul style="list-style-type: none"> <li>(a) “Hire-Purchase Agreement regulated by the Consumer Credit Act 1974”;</li> </ul>
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- (b) “Conditional Sale Agreement regulated by the Consumer Credit Act 1974”;
- (c) “Fixed-Sum Loan Agreement regulated by the Consumer Credit Act 1974”; or
- (d) “Credit Card Agreement regulated by the Consumer Credit Act 1974”,

as the case may require.

- (2) If none of the headings in 1(a) to (d) above are applicable a heading in the following form of words—“Credit Agreement regulated by the Consumer Credit Act 1974”.
- (3) Where the document and a pawn-receipt are combined, the words “, and Pawn Receipt,” shall be inserted in the heading after the word “Agreement”.
- (4) Where the document embodies an agreement of which at least one part is a credit agreement not regulated by the Act, the word “partly” shall be inserted before “regulated” unless the regulated and unregulated parts of the agreement are clearly separate.
- (5) Where the credit is being secured on land the words “secured on” followed by the address of the land shall be inserted at the end of the heading.”.

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(3) After paragraph 8 insert—

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	<i>“Term of the agreement</i>	
8A.	Agreements of fixed duration for running-account credit .	The duration of the agreement.
8B.	Agreements for fixed-sum credit.	The duration or minimum duration of the agreement.”.

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(4) For paragraph 9 substitute—

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“9.	<p>Agreements for fixed-sum credit except agreements—</p> <p>(a) which do not specify either the intervals between repayments or the amounts of repayments or both the intervals and the amounts;</p> <p>(b) under which the total amount payable by the debtor to discharge his indebtedness in respect of the amount of credit provided may vary according to any formula specified in the agreement having effect by reference to movements in the level of any index or to any other factor;</p> <p>(c) which provide for a variation of, or permit the creditor to vary, (whether or not by reference to any index) the amount or rate of any item included in the total charge for credit after the relevant date; or</p> <p>(d) under which the total amount payable by the debtor is not greater than the total cash price referred to in paragraph 4.</p>	<p>(1) The total charge for credit, with a list of its constituent parts.</p> <p>(2) The rate of interest on the credit to be provided under the agreement or, where more than one such rate applies, all the rates in all cases quoted on a per annum basis with details of when each rate applies.</p> <p>(3) A statement explaining how and when interest charges are calculated and applied under the agreement.”.</p>
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(5) For paragraph 10 substitute—

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“10.	<p>Agreements for—</p> <p>(a) running-account credit; and</p>	<p>(1) The total charge for credit with a list of its constituent parts and in the case of running-</p>
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- (b) fixed-sum credit falling within the exceptions in paragraph 9(a) to (c).
- account credit, the total charge for credit shall be calculated on the same assumptions as are set out in paragraph 1 of Schedule 7 for the purpose of calculating the APR in place of the assumptions in Part 4 of the Total Charge for Credit Regulations that might otherwise apply.
- (2) The rate of interest on the credit to be provided under the agreement or, where more than one such rate applies, all the rates in all cases quoted on a per annum basis with details of when each rate applies.
- (3) A statement whether any interest rate to be shown under (2) above is fixed or variable.
- (4) A statement explaining how and when interest charges are calculated and applied under the agreement.”.

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(6) After paragraph 14 insert—

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“14A.	All types where different interest rates or different charges or both are or will be at any time during the term of the agreement payable in respect of— (a) credit provided under the agreement for different purposes; or (b) under each of the different parts of the agreement, whether or not the agreement is a multiple agreement.	A statement of the order or proportions in which any amount paid by the debtor which is not sufficient to discharge the total debt then due under the agreement will be applied or appropriated by the creditor towards the discharge of the sums due— (a) in respect of the amounts of credit provided for different purposes, or (b) different parts of the agreement, as the case may be.”.
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(7) For paragraph 22 substitute—

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“Charges

22. All types.
- (1) A list of any charges payable under the agreement 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.
  - (2) A statement indicating any term of the agreement which provides for charges—
    - (a) not required to be shown under (1) above; or
    - (b) not included in the total charge for credit.”

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(8) After paragraph 22 insert—

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*“Cancellation rights*

23. Agreements which are not cancellable agreements. A statement that the agreement is not cancellable.
- Amount payable on early settlement*
24. Agreements for fixed-sum credit for a term of more than one month.
- (1) Examples based on the amount of credit to be provided under the agreement or the nominal amount of either £1000 or £100, showing the amount that would be payable if the debtor exercised the right under section 94 of the Act to discharge his indebtedness on the date when—
    - (a) a quarter of the term of the agreement elapses;
    - (b) half of the term elapses; and
    - (c) three quarters of the term elapses.
 or on the first repayment date after each of those dates.

- (2) A statement explaining that, in calculating the amounts shown, no account has been taken of any variation which might occur under the agreement, and that the amounts are accordingly only illustrative.”.

11. For Schedule 2 (forms of statement and remedies available under the Consumer Credit Act 1974 to debtors under regulated consumer credit agreements) substitute—

“SCHEDULE 2

Regulation 2(3)

### PART 1

#### Forms of Statement of Protection and Remedies Available under the Consumer Credit Act 1974 to Debtors under Regulated Consumer Credit Agreements

FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
1	Agreement to which section 58(1) of the Act applies.	<p>YOUR RIGHTS</p> <p>Under the Consumer Credit Act 1974, you should have been given a copy of this agreement at least seven days ago so you could consider whether you wanted to go ahead. If the creditor did not give you a copy of this agreement he can only enforce it with a court order.</p>
2	All types.	<p>MISSING PAYMENTS</p> <p>Missing payments could have severe consequences and make obtaining credit more difficult.</p>
3	All agreements which are secured on land.	<p>YOUR HOME MAY BE REPOSSESSED</p> <p>Your home may be repossessed if you do not keep up repayments on a mortgage or other debt secured on it.</p>

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<b>FORM NO (1)</b>	<b>TYPE OF AGREEMENT (2)</b>	<b>FORM OF STATEMENT (3)</b>
4	Cancellable agreements to which section 68(b) of the Act applies.	<p data-bbox="997 421 1353 459"><b>YOUR RIGHT TO CANCEL</b></p> <p data-bbox="997 537 1353 694">You can cancel this agreement within FOURTEEN days (starting the day after you signed it) by giving WRITTEN notice to*.</p> <p data-bbox="997 712 1353 1254">If you intend to cancel, you should not use any goods you have under the agreement and you should keep them safe. You can wait for them to be collected and you do not need to hand them over until you receive a written request for them. [However you may return the goods yourself.]*[You are warned that it would be dangerous and could be in contravention of Health and Safety legislation for you to attempt to disconnect and return the goods yourself.]*</p> <p data-bbox="997 1272 1353 1299">Notes:</p> <p data-bbox="997 1317 1353 1635">*Creditor or agent to insert the name and address of person to whom the notice may be given or an indication of the person to whom a notice may be given with clear reference to the place in the document embodying the agreement where his name and address appear.</p> <p data-bbox="997 1653 1353 2000">** Creditor or agent to include the words in the first set of square brackets unless the words in the second set of square brackets are applicable, i.e. in a case where the subject matter of the agreement is a liquefied petroleum gas vessel of greater than 150 litres water capacity.</p>

FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
5	Cancellable agreements not included in paragraphs 3 or 6.	<p>YOUR RIGHT TO CANCEL</p> <p>Once you have signed this agreement, you will have a short time in which you can cancel [it]*[that part of this agreement which is regulated by the Consumer Credit Act 1974]*. The creditor will send you exact details of how and when you can do this.</p> <p>Notes:</p> <p>*Creditor to omit passage in square brackets which does not apply to the agreement.</p>
6	Modifying agreements treated under section 82(5) of the Act as cancellable agreements.	<p>YOUR RIGHT TO CANCEL</p> <p>This agreement modifies an earlier agreement. Once you have signed this agreement your right to cancel [that part of]* the earlier agreement [which was regulated by the Consumer Credit Act 1974]* will be widened to cover the [regulated]* agreement as modified. The cancellation period itself will be unchanged. Details of how to cancel are given in your copy of this agreement.</p> <p>Notes:</p> <p>*Creditor to omit passages in square brackets except in the case of an agreement of which at least one part is a credit agreement not regulated by the Act.</p>
7	Hire purchase and conditional sale agreements relating to goods, not included in paragraph 8.	<p>TERMINATION: YOUR RIGHTS</p> <p>You have a right to end this agreement. To do so, you should write to the person you</p>

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FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
8	Agreements modifying hire-purchase and conditional sale agreements relating to goods.	<p>make your payments to. They will then be entitled to the return of the goods and to [the cost of installing the goods plus half the rest of the total amount payable under this agreement, that is] [half the total amount payable under this agreement, that is] *£x ** . If you have already paid at least this amount plus any overdue instalments and have taken reasonable care of the goods, you will not have to pay any more.</p> <p>Notes:</p> <p>*Creditor to insert the appropriate passage in square brackets where the amount calculated in accordance with the provisions of section 100 of the Act applies. If the agreement provides for a sum below the minimum prescribed in the Act, both passages in square brackets are to be omitted.</p> <p>**Creditor to insert the amount calculated in accordance with the provisions of section 100 of the Act or such lesser sum as the agreement may provide.</p> <p><b>TERMINATION: YOUR RIGHTS</b></p> <p>You have a right to end this agreement. To do so, write to the person you make your payments to. They will then be entitled to the return of the goods and to [the cost of installing the goods plus half the total amount yet to be paid under the earlier agreement as modified by this agreement, that is] [half the total amount payable under the earlier</p>

FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
		<p>agreement as modified by this agreement, that is]* £x**. If you have already paid at least this amount, plus any overdue instalments and have taken reasonable care of the goods, you will not have to pay any more.</p> <p>Notes:</p> <p>*Creditor to insert the appropriate passage in square brackets where the amount calculated in accordance with the provisions of section 100 of the Act applies. If the modified agreement provides for a sum below the minimum prescribed in the Act, both passages in square brackets are to be omitted.</p> <p>**Creditor to insert the amount calculated in accordance with the provisions of section 100 of the Act or such lesser sum as the agreement may provide.</p>
9	Conditional sale agreements relating to land, not included in paragraph 10.	<p>TERMINATION: YOUR RIGHTS</p> <p>Until the title to the land has passed to you, you have a right to end this agreement. To do so write to the person you make your payments to. They will then be entitled to the return of the land and to [half the total amount payable under this agreement, that is]* £x.** If, at the time you end this agreement, you have already paid at least this amount plus any overdue instalments and you have taken reasonable care of the land, you will not have to pay any more.</p> <p>Notes:</p>

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FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
10	Agreements modifying conditional sale agreements relating to land.	<p>*Creditor to insert the passage in square brackets where the amount calculated in accordance with the provisions of section 100 of the Act applies. If the agreement provides for a sum below the minimum prescribed in the Act, the passage in square brackets is to be omitted.</p> <p>**Creditor to insert the amount calculated in accordance with the provisions of section 100 of the Act or such lesser sum as the agreement may provide.</p> <p>TERMINATION: YOUR RIGHTS</p> <p>Until the title to the land has passed to you, you have a right to end this agreement. To do so write to the person you make your payments to. They will then be entitled to the return of the land and to [half the total amount payable under your earlier agreement as modified by this agreement, that is]* £x**. If you have already paid at least this amount plus any overdue instalments and taken reasonable care of the land, you will not have to pay any more.</p> <p>Notes:</p> <p>*Creditor to insert the passage in square brackets where the amount calculated in accordance with the provisions of section 100 of the Act applies. If the modified agreement provides for a sum below the minimum prescribed in the Act, the</p>



FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
11	Hire-purchase and conditional sale agreements relating to goods, not included in paragraph 12.	<p>passage in square brackets is to be omitted.</p> <p><b>**Creditor to insert the amount calculated in accordance with the provisions of section 100 of the Act or such lesser sum as the modified agreement may provide.</b></p> <p><b>REPOSSESSION: YOUR RIGHTS</b></p> <p>If you do not keep your side of this agreement but you have paid at least [the cost of installing the goods plus one third of the rest of the total amount payable under this agreement, that is] [one third of the total amount payable under this agreement, that is]<del>£x</del><b>** the creditor may not take back the goods against your wishes unless he gets a court order. (In Scotland he may need to get a court order at any time.) If he does take the goods without your consent or a court order, you have the right to get back any money that you have paid under this agreement.</b></p> <p>Notes:</p> <p><b>*Creditor to insert the appropriate passage in square brackets.</b></p> <p><b>**Creditor to insert the amount calculated in accordance with the provisions of section 90 of the Act.</b></p>
12	Agreements modifying hire-purchase and conditional sale agreements relating to goods.	<p><b>REPOSSESSION: YOUR RIGHTS</b></p> <p>If you do not keep to your side of this agreement [but</p>

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FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
13	Agreements, to which section 114 of the Act applies, under which a person takes any article in pawn.	<p>you have paid at least £x**]** the creditor may not take back the goods against your wishes unless he gets a court order. (In Scotland he may need to get a court order at any time.) If he does take the goods without your consent or a court order, you have the right to get back all the money you have paid under this agreement.</p> <p>Notes:</p> <p>*Creditor to insert the amount calculated in accordance with the provisions of section 90 of the Act.</p> <p>**Creditor to omit both passages in square brackets in the case of a modifying agreement where the goods are protected at the time the modifying agreement is made.</p> <p><b>IMPORTANT – READ THIS CAREFULLY TO FIND OUT ABOUT YOUR RIGHTS</b></p> <p>The Consumer Credit Act 1974 lays down certain requirements for your protection which should have been complied with when this agreement was made. If they were not, the creditor cannot enforce this agreement without getting a court order.</p> <p>The Act also gives you a number of rights. In particular you should read the NOTICE TO DEBTOR [in this agreement]* [in your pawn receipt].**</p> <p>If you would like to know more about your rights under the Act, contact either your local Trading Standards</p>

FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
14	Debtor-creditor-supplier agreements falling within section 12(b) and (c) of the Act, and multiple agreements not falling within paragraph 15 of which at least one part is a debtor-creditor-supplier agreement falling within section 12(b) or (c) of the Act.	<p>Department or your nearest Citizens' Advice Bureau.</p> <p>Notes:</p> <p>*Phrase in square brackets to be included by creditor in agreements where any document embodying the agreement is not separate from the pawn-receipt. Creditor to omit "in your pawn receipt".</p> <p>** Phrase in square brackets to be included by creditor in agreements where a separate pawn-receipt is given to the debtor. Creditor to omit "in this agreement".</p> <p><b>IMPORTANT – READ THIS CAREFULLY TO FIND OUT ABOUT YOUR RIGHTS</b></p> <p>The Consumer Credit Act 1974 lays down certain requirements for your protection which should have been complied with when this agreement was made. If they were not, the creditor cannot enforce this agreement without getting a court order.</p> <p>The Act also gives you a number of rights:</p> <p>1) You can settle this agreement at any time by giving notice in writing and paying off the amount you owe under the agreement [which may be reduced by a rebate]* [Examples indicating the amount you have to pay appear in the agreement.]**</p>

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FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
		<p>2) If you received unsatisfactory goods or services paid for under this agreement[, apart from any bought with a cash loan,]*** you may have a right to sue the supplier, the creditor or both.</p> <p>3) If the contract is not fulfilled, perhaps because the supplier has gone out of business, you may still be able to sue the creditor.</p> <p>If you would like to know more about your rights under the Act, contact either your local Trading Standards Department or your nearest Citizens' Advice Bureau.</p> <p>Notes:</p> <p>*Creditor to insert phrase in square brackets in any agreement where rebate would be payable on early settlement under the agreement or the Consumer Credit (Early Settlement) Regulations 2004.</p> <p>** Creditor to insert phrase in second pair of square brackets in any agreement for fixed-sum credit for a term of more than one month.</p> <p>***Creditor to insert phrase in square brackets in any multiple agreement, of which, at least one part is a debtor-creditor-supplier agreement falling within section 12(b) or (c) of the Act and at least one part is a debtor-creditor agreement falling within section 13(c) of the Act.</p>
15	Multiple agreements of which at least one part is a credit agreement not regulated by the Act.	IMPORTANT – READ THIS CAREFULLY TO FIND OUT ABOUT YOUR RIGHTS

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<b>FORM NO (1)</b>	<b>TYPE OF AGREEMENT (2)</b>	<b>FORM OF STATEMENT (3)</b>
		<p>That part of this agreement which deals with [ ... ..;]* is a regulated agreement under the Consumer Credit Act 1974. As a result certain requirements for your protection should have been complied with when it was made. If they were not, the creditor cannot enforce this agreement without a court order.</p> <p>The Act also gives you a number of rights. You can settle the regulated agreement at any time by giving notice in writing and paying off the amount you owe under this agreement [which may be reduced by a rebate]** [Examples indicating the amount you have to pay appear in the agreement.]***</p> <p>If you would like to know more about your rights under the Act, contact either your local Trading Standards Department or your nearest Citizens' Advice Bureau.</p> <p>Notes:</p> <p>*Creditor to insert description of regulated agreement example, "the cash advance facility".</p> <p>**Creditor to insert phrase in square brackets in any agreement where rebate would be payable on early settlement under the agreement or the Consumer Credit (Early Settlement) Regulations 2004.</p> <p>*** Creditor to insert phrase in second pair of square brackets in any agreement for fixed-sum credit for a term of more than one month.</p>

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<b>FORM NO (1)</b>	<b>TYPE OF AGREEMENT (2)</b>	<b>FORM OF STATEMENT (3)</b>
16	All types not included in paragraphs 13,14 and 15.	<p data-bbox="999 427 1318 551"><b>IMPORTANT – READ THIS CAREFULLY TO FIND OUT ABOUT YOUR RIGHTS</b></p> <p data-bbox="999 573 1345 853">The Consumer Credit Act 1974 lays down certain requirements for your protection which should have been complied with when this agreement was made. If they were not, the creditor cannot enforce this agreement without getting a court order.</p> <p data-bbox="999 875 1345 1223">The Act also gives you a number of rights. You can settle this agreement at any time by giving notice in writing and paying off the amount you owe under the agreement [which may be reduced by a rebate]*. [Examples indicating the amount you might have to pay appear in the agreement.]**</p> <p data-bbox="999 1245 1345 1424">If you would like to know more about your rights under the Act, contact either your local Trading Standards Department or your nearest Citizens' Advice Bureau.</p> <p data-bbox="999 1447 1070 1469">Notes:</p> <p data-bbox="999 1491 1318 1749">*Creditor to insert phrase in square brackets in any agreement where rebate would be payable on early settlement under the agreement or the Consumer Credit (Early Settlement) Regulations 2004.</p> <p data-bbox="999 1771 1345 1917">**Creditor to insert phrase in second pair of square brackets in any agreement for fixed-sum credit for a term of more than one month.</p>
17	Credit-token agreements which make debtors liable for loss to the creditor resulting	<b>THEFT, LOSS OR MISUSE OF CREDIT-TOKEN*</b>

<b>FORM NO (1)</b>	<b>TYPE OF AGREEMENT (2)</b>	<b>FORM OF STATEMENT (3)</b>
	from the misuse of credit-tokens by other persons.	<p>If your credit-token* is lost, stolen or misused by someone without your permission, you may have to pay up to £x** of any loss to the creditor. If it is misused with your permission you will probably be liable for ALL losses. You will not be liable to the creditor for losses which take place after you have told the creditor about the theft, etc [as long as you confirm this in writing within seven days]. ***[However, the credit-token* can also be used under an agreement to which this protection does not apply. As a result, there may be circumstances under which you may have to pay for all the losses to the creditor.]</p> <p>****</p> <p>Notes:</p> <p>*Creditor may insert specific designation or trade name of credit-token for example, credit card instead of “credit-token”.</p> <p>**Creditor to insert the extent of the liability laid down in section 84(1) of the Act or the credit limit if lower or such lower figure as he may decide.</p> <p>***Creditor to omit phrase in square brackets if written confirmation is not required under the credit-token agreement.</p> <p>****Creditor to omit passage in square brackets if inapplicable.</p>

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## PART II

### Notice to be contained in Documents Embodying a Combined Consumer Credit Agreement and Pawn-Receipt

<b>FORM NO (1)</b>	<b>TYPE OF AGREEMENT (2)</b>	<b>FORM OF STATEMENT (3)</b>
18	Agreements, to which section 114 of the Act applies, under which a person takes any article in pawn and where any document embodying the agreement is not separate from the pawn-receipt.	NOTICE TO THE DEBTOR IMPORTANT – YOU SHOULD READ THIS CAREFULLY

#### Right to Redeem Articles

If you hand in this agreement (which is also your pawn-receipt) and pay the amount you owe, you may redeem the article(s) in pawn at any time within 6 months of the date of this agreement or any longer time agreed with the creditor (“the redemption period”).

IF YOU DO NOT REDEEM THE ARTICLE(S) ON OR BEFORE \* YOU MAY LOSE YOUR RIGHT TO REDEEM IT (THEM).

#### Loss of Receipt

If you lose your receipt you may provide either a statutory declaration or, if the credit (or credit limit) is not more than £x\*\* and the creditor agrees, a signed statement instead. The creditor may provide the form to be used and may charge for doing so.

#### Unredeemed Articles

An article not redeemed within the redemption period becomes the creditor’s property if the credit (or credit limit) is not more than £x\*\*\*\* and the redemption period is 6 months. In any other case it may be sold by the creditor, but it continues to



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FORM NO (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
		<p>be redeemable until it is sold. Interest is payable until the actual date of redemption. Where the credit (or credit limit) is more than £x**** the creditor must give you 14 days notice of his intention to sell. When an article has been sold you will receive information about the sale. If the proceeds (less expenses) are more than the amount that would have been payable to redeem the article on the date of the sale you will be entitled to receive the extra amount. If the proceeds are less than the amount you will owe the creditor the shortfall.</p> <p>Your goods will not be insured by the creditor while they are in pawn. *****</p> <p>Notes:</p> <p>*Creditor to insert the date at the end of the redemption period.</p> <p>**Creditor to insert the amount specified in section 118(1)(b) of the Act.</p> <p>***Creditor to insert the amount specified in section 120(1)(a) of the Act.</p> <p>**** Creditor to insert the amount specified in the Consumer Credit (Realisation of Pawn) Regulations 1983</p> <p>***** Creditor to omit this paragraph if inapplicable.”</p>

12.—(1) Schedule 3 (information to be contained in documents embodying regulated consumer hire agreements other than modifying agreements) shall be amended as follows.

(2) For paragraph 1 substitute—

<i>“Nature of agreement</i>		
1.	All types.	(1) A heading in the following form of words

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—“Hire Agreement regulated by the Consumer Credit Act 1974”.

- (2) Where the agreement to hire is being secured on land the words “secured on” and the address of the land shall be inserted at the end of the heading.”.

(3) For paragraph 10 substitute—

*“Charges*

10.	All types.	<ul style="list-style-type: none"> <li>(1) A list of any charges payable under the agreement to the owner upon failure by the hirer 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.</li> <li>(2) A statement indicating any term of the agreement which provides for charges not required to be shown under (1) above.”</li> </ul>
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(4) After paragraph 10 insert—

*“Cancellation rights*

11.	Agreements that are not cancellable agreements.	A statement that the agreement is not cancellable.”.
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**13.** For Schedule 4 (forms of statement of protection and remedies available under the Consumer Credit Act 1974 to hirers under regulated consumer hire agreements) substitute—

“SCHEDULE 4

Regulation 3(3)

Forms of Statement of Protection and Remedies Available under the Consumer Credit Act 1974 to Hirers Under Regulated Consumer Hire Agreements

FORM (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
1	Agreement to which section 58(1) of the Act applies.	YOUR RIGHTS

FORM (1)	TYPE OF AGREEMENT (2)	FORM OF STATEMENT (3)
2	All types.	Under the Consumer Credit Act 1974, you should have been given a copy of this agreement at least seven days ago so you could consider whether to go ahead. If the owner did not give you a copy this agreement can only be enforced with a court order.  MISSING PAYMENTS  Missing payments could have severe consequences and may make obtaining credit more difficult.
3	All agreements which are secured on property.	YOUR HOME MAY BE REPOSSESSED  Your home may be repossessed if you do not keep up repayments on a hire agreement secured by a mortgage or other security on your home.
4	All cancellable agreements not included in paragraph 5.	YOUR RIGHT TO CANCEL  Once you have signed this agreement you have a short time in which you can cancel it. Details of how to cancel it will be sent to you by the owner.
5	Modifying agreements treated under section 82(5) of the Act as cancellable agreements.	YOUR RIGHT TO CANCEL  This agreement modifies an earlier agreement. Once you have signed it, your right to cancel the earlier agreement will cover this modified agreement. The cancellation period itself is unchanged. Details of how you can cancel can be found in the copy of this agreement.
6	Agreements to which the hirer is entitled to terminate by notice under section 101(1) of	IMPORTANT – READ THIS CAREFULLY TO

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<b>FORM (1)</b>	<b>TYPE OF AGREEMENT (2)</b>	<b>FORM OF STATEMENT (3)</b>
	<p>the Act and which provides for the bailment or hiring of goods for at least 18 months after the making of the agreement.</p> <p>Agreements not included in paragraph 6.</p>	<p><b>FIND OUT ABOUT YOUR RIGHTS</b></p> <p>The Consumer Credit Act 1974 lays down certain requirements for your protection which should have been complied with when this agreement was made. If they were not, the owner cannot enforce this agreement without getting a court order.</p> <p>The Act also gives you a number of rights. You can end this agreement by writing to the person you make your payments to and giving at least * notice. In order to do this the agreement must have been allowed to run for at least 18 months [from the date of the original agreement]** though this may include the period of notice. You will have to make all payments and pay any amounts you owe until the date the agreement comes to an end.</p> <p>If you would like to know more about your rights under the Act, contact either your local Trading Standards Department or your nearest Citizens' Advice Bureau.</p> <p>Notes:</p> <p>*Owner to insert minimum period of notice as determined by section 101.</p> <p>**Owner to omit passage in square brackets except where this notice appears in a modifying agreement.</p> <p><b>IMPORTANT –READ THIS CAREFULLY TO</b></p>

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<b>FORM (1)</b>	<b>TYPE OF AGREEMENT (2)</b>	<b>FORM OF STATEMENT (3)</b>
		<p>FIND OUT ABOUT YOUR RIGHTS</p> <p>The Consumer Credit Act 1974 covers this agreement and lays down certain requirements for your protection which should have been complied with when this agreement was made. If they were not, the owner cannot enforce this agreement against you without getting a court order.</p> <p>If you would like to know more about your rights under the Act, contact either your local Trading Standards Department or your nearest Citizens' Advice Bureau.”.</p>

14. After Part II of Schedule 5 (forms of signature box) insert—

### “PART III

#### Agreements Under Which a Separate Form of Consent is Required

<b>1 (1)</b>	<b>TYPE OF AGREEMENT (2)</b>	<b>FORM OF CONSENT (3)</b>
	Agreements under which a separate form of consent is required.	<p>I wish to purchase [    ] * / **</p> <p>I understand that I am purchasing the product(s) ticked above on credit provided by you and that the terms relating to the credit for the products can be found [ ... ... ]*** in this agreement.</p> <p>Your signature(s):</p> <p>Notes:</p> <p>* Creditor to list the products being offered to the debtor for purchase.</p> <p>** Debtor to indicate which products they wish to</p>

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1 (1)	TYPE OF AGREEMENT (2)	FORM OF CONSENT (3)
		purchase by putting a tick next to the name(s) of the product(s).  *** Creditor to insert the cross-references to the terms of the agreement containing the terms relating to the credit for the products being purchased.”.

15. In Schedule 7 (provisions relating to the disclosure of the APR) for paragraph 1 substitute—

**“Assumptions about running-account credit**

1. In the case of an agreement for running-account credit, the following assumptions shall have effect for the purpose of calculating the APR in place of the assumptions in Part 4 of the Total Charge for Credit Regulations that might otherwise apply—

(1) in any case where there will be a credit limit but that limit is not known at the date of making the agreement the amount of the credit to be provided shall be taken to be £1,500 or, in a case where the credit limit will be less than £1,500, an amount equal to that limit;

(2) it shall be assumed that the credit is provided for a period of one year beginning with the relevant date;

(3) it shall be assumed that the credit is provided in full on the relevant date;

(4) where the rate of interest will change at a time provided in the agreement within a period of three years beginning with the date of the making of the agreement, the rate shall be taken to be the highest rate at any time obtaining under the agreement in that period;

(5) where the agreement provides credit to finance the purchase of goods, services, land or other things and also provides one or more of—

(a) cash loans;

(b) credit to refinance existing indebtedness of the debtor's, whether to the creditor or another person; and

(c) credit for any other purpose,

and either or both different rates of interest and different charges are payable in relation to the credit provided for all or some of these purposes, it shall be assumed that the rate of interest and charges payable in relation to the whole of the credit are those applicable to the provision of credit for the purchase of goods, services, land or other things;

(6) it shall be assumed that the credit is repaid—

(a) in twelve equal instalments, and

(b) at monthly intervals, beginning one month after the relevant date.

**Permissible tolerances in disclosure of the APR**

1A. For the purposes of these Regulations, it shall be sufficient compliance with the requirement to show the APR if there is included in the document—

(1) a rate which exceed the APR by not more than one; or

- (2) a rate which falls short of the APR by not more than 0.1; or
- (3) in a case to which either of paragraphs 2 or 3 below applies, a rate determined in accordance with the paragraph or such of them as apply to that case.”.

**16.**—(1) Schedule 8, part 1 (information to be contained in documents embodying regulated modifying agreements varying or supplementing earlier credit agreements) is amended as follows.

(2) For paragraph 1 substitute—

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“1	All types	(1) A heading in one of the following forms of words— <ul style="list-style-type: none"><li>(a) “Agreement modifying a Hire-Purchase Agreement and regulated by the Consumer Credit Act 1974”;</li><li>(b) “Agreement Modifying a Conditional Sale Agreement and regulated by the Consumer Credit Act 1974”;</li><li>(c) “Agreement modifying a Fixed-Sum Loan Agreement and regulated by the Consumer Credit Act 1974”;</li><li>(d) “Agreement modifying a Credit Card Agreement and regulated by the Consumer Credit Act 1974”;</li><li>or</li><li>(e) “Agreement modifying a Credit Agreement and regulated by the Consumer Credit Act 1974”</li></ul> as the case may require.
		(2) Where the document and a pawn-receipt are combined, the words “, and Pawn-Receipt,” shall be inserted in the heading after the word

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“Agreement” in the second place that it occurs.

- (3) Where the document embodies an agreement of which at least one part is a credit agreement not regulated by the Act, the word “partly” shall be inserted before “regulated” unless the regulated and unregulated parts of the agreement are clearly separate.
- (4) Where the loan is being secured on land the words “secured on” and the address of the land shall be inserted at the end of the heading.”.

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(3) In paragraph 5—

(a) For subparagraph (b) of column 1 substitute—

“(b) modifying agreements where the earlier agreement is an agreement excluded from the scope of the Consumer Credit (Early settlement) Regulations 2004 by regulation 2(2) of these Regulations.”.

(b) for subparagraph (3) of column 2 substitute—

“(3) The total amount of the charges on the credit not yet accrued referred to in subparagraph (2) above shall be the amount of a notional rebate calculated in accordance with the Consumer Credit (Early Settlement) Regulations 2004 as if early settlement had taken place and as if the settlement date were the relevant date disregarding any deferment of the settlement date under regulation 6 of those Regulations.”.

(4) For paragraph 6 substitute—

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“6	Modifying agreements both under which the amount of credit to be provided under an earlier agreement for fixed-sum credit is varied or supplemented and where the earlier agreement is an agreement excluded from the scope of the Consumer Credit (Early Settlement) Regulations 2004 by regulation 2(2) of those Regulations.	The total amount of the credit to be provided under the modified agreement calculated as follows, namely the total of— <ul style="list-style-type: none"><li>(a) the balance of the credit outstanding under the earlier agreement at the relevant date;</li><li>(b) any charges thereon (included in the total charge for credit in relation to the credit to be provided under the earlier agreement) due</li></ul>
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- and unpaid at the relevant date;
- (c) the amount of any additional credit to be provided under the modifying agreement, with a list of its constituent parts.”.

(5) After paragraph 7 insert—

*“Term of the agreement*

7A	Modifying agreements under which the duration of an earlier agreement for running account credit of fixed duration is varied.	The duration of the modified agreement.
7B	Modifying agreements under which the duration of an earlier agreement for fixed-sum credit is varied.	The duration or minimum duration of the modified agreement.”.

(6) For paragraph (8) substitute—

“8	Modifying agreements under which any charge included in the total charge for credit in relation to an earlier agreement for fixed-sum credit is varied or supplemented, except modifying agreements— (a) which do not specify either the intervals between repayments under the modified agreement or the amounts of repayments or both the intervals and the amounts; (b) under which the total amount payable by the debtor under the modified agreement to discharge his indebtedness in respect of the amount of credit provided may vary according to any formula specified in such agreement having effect by reference to	(1) The total charge for credit in relation to the credit to be provided under the modified agreement, with a list of its constituent parts. (2) The varied or supplemented rates of any interest on the credit to be provided under the modified agreement quoted on a per annum basis, or a statement that the rates of interest under the earlier agreement are unchanged. (3) A statement explaining how and when interest charges are calculated and applied under the modified agreement.”.
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- movements in the level of any index or to any other factor;
- (c) which provide for a variation of, or permit the creditor to vary, (whether or not by reference to any index) the amount or rate of any item included in the total charge for credit in relation to the modified agreement after the relevant date; or
- (d) under which the total amount payable by the debtor under the modified agreement is not greater than the total cash price under that agreement .

(7) For paragraph 9 substitute—

“9	<p>Modifying agreements under which—</p> <ul style="list-style-type: none"> <li>(a) any charge included in the total charge for credit in relation to an earlier agreement for fixed-sum credit is varied or supplemented and which fall within the exceptions in paragraph 8 (a) to (c); or</li> <li>(b) the rate of any other charge included in the total charge for credit in relation to an earlier agreement for running-account credit is varied or supplemented.</li> </ul>	<ul style="list-style-type: none"> <li>(1) The total charge for credit in relation to the credit to be provided under the modified agreement with a list of its constituent parts and in the case of running-account credit, the total charge for credit shall be calculated on the same assumptions as are set out in paragraph 1 of Schedule 7 for the purpose of calculating the APR in place of the assumptions in Part 4 of the Total Charge for Credit Regulations that might otherwise apply.</li> <li>(2) The varied or supplemented rates of any interest on the credit to be provided under the modified agreement quoted on a per annum basis, or a statement that the rates of interest under the earlier agreement are unchanged.</li> </ul>
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- (3) A statement whether the interest rates to be shown under (2) above are fixed or variable
- (4) A statement explaining how and when interest charges are calculated and applied under the modified agreement.”.

(8) After paragraph 13 insert—

“13A.	Modifying agreements under which— <ul style="list-style-type: none"><li>(a) an earlier agreement is varied or supplemented so that different interest rates or different charges forming part of the total charge for credit or both are payable in respect of—<ul style="list-style-type: none"><li>(i) credit provided under the agreement for different purposes; or</li><li>(ii) different parts of the agreement, whether or not the agreement is a multiple agreement; or</li></ul></li><li>(b) an earlier agreement is varied by varying the order or proportions in which any amount paid by the debtor which is not sufficient to discharge the total debt then due under the agreement will be applied or appropriated by the creditor towards the discharge of the sums due—<ul style="list-style-type: none"><li>(i) in respect of the amounts of credit provided for different purposes, or</li></ul></li></ul>	A statement of the order or proportions in which any amount paid by the debtor which is not sufficient to discharge the total debt then due under the agreement will be applied or appropriated by the creditor towards the discharge of the sums due— <ul style="list-style-type: none"><li>(a) in respect of the amounts of credit provided for different purposes, or</li><li>(b) under each of the different parts of the agreement,</li></ul> as the case may be.”
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- (ii) under each of the different parts of the agreement, as the case may require.
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(9) For paragraph 22 substitute—

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*“Charges*

22	Modifying agreements under which any provision for charges under an earlier agreement are varied, including a variation to or from there being no such charges.	<p>(1) A list of any charges payable under the modified agreement 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, or a statement indicating that no such charges are payable as the case may be.</p> <p>(2) A statement indicating any term of the modified agreement which provides for charges</p> <p style="margin-left: 20px;">(a) not required to be shown under (1) above; or</p> <p style="margin-left: 20px;">(b) included in the total charge for credit.”</p>
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(10) After paragraph 22 insert—

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*“Cancellation rights*

23	Modifying agreements that are not treated as cancellable agreements under section 82(5) of the Act.	A statement that the modifying agreement is not cancellable.
<i>Amount payable on early settlement</i>		
24	Agreements for fixed-sum credit for a term of more than one month.	<p>(1) Examples based on the amount of credit to be provided under the agreement or the nominal amount of either £1000 or £100, showing the amount that would be payable if the debtor exercised the right under section 94 of the Act to discharge his</p>

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indebtedness on the date when—

- (a) a quarter of the term of the agreement elapses;
  - (b) half of the term elapses; and
  - (c) three quarters of the term elapses,
- or on the first repayment date after each of those dates.

- (2) A statement explaining that, in calculating the amounts shown, no account has been taken of any variation which might occur under the agreement, and that the amounts are accordingly only illustrative.”.

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17.—(1) Schedule 8, Part 2 (information to be contained in documents embodying regulated modifying agreements varying or supplementing earlier hire agreements) is amended as follows.

(2) For paragraph 1 substitute—

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“1	All types	<ul style="list-style-type: none"> <li>(1) A heading in the following form of words —“Agreement modifying a Hire Agreement and regulated by the Consumer Credit Act 1974”.</li> <li>(2) Where the credit is being secured on land the words “secured on” followed by the address of the land shall be inserted at the end of the heading.”.</li> </ul>
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(3) In column 2 of paragraph 10 for the words “An indication of any” substitute “A list of all”.

(4) After paragraph 10 insert—

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<i>“Cancellation rights</i>		
11	Modifying agreements that are not treated as cancellable agreements under section 82(5) of the Act.	A statement that the modifying agreement is not cancellable.”.

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### **Transitional provision**

**18.**—(1) This regulation applies to documents embodying regulated agreements, and modifying agreements treated under section 82(3) of the Consumer Credit Act 1974<sup>(4)</sup> as regulated agreements, which have

- (a) been presented, sent or made available to debtors or hirers for signature but have not become executed agreements before the coming into force of these Regulations (“transitional agreements); and
- (b) become executed agreements not later than 3 months after the coming into force of these Regulations.

(2) The Consumer Credit (Agreements) Regulations 1983 as they have effect immediately before the coming into force of these Regulations shall continue to apply in relation to transitional agreements.

(3) Accordingly the amendments and repeals made by these Regulations shall not apply in respect of transitional agreements and for the purposes of section 61(1) of the Consumer Credit Act 1974 such agreements shall be properly executed if they conform to the Consumer Credit (Agreements) Regulations 1983<sup>(5)</sup> as they have effect immediately before the coming into force of these Regulations and otherwise comply with that subsection.

*Gerry Sutcliffe,*  
Parliamentary Under Secretary of State for  
Employment Relations, Competition and  
Consumer Affairs,  
Department of Trade and Industry

5th June 2004

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(4) 1974 c. 39.

(5) S.I. 1983/1553, amended by S.I. 1984/1600, 1985/666, 1988/2047, 1999/3177 and 2001/3649.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Consumer Credit (Agreements) Regulations 1983 (“the 1983 Regulations”) with effect from the 31st May 2005 subject to a transitional provision in regulation 18. The principal amendments made by the Regulations are as follows—

(1) they substitute a new paragraph (4) in each of regulations 2, 3 and 7 of the 1983 Regulations. The new paragraphs (4) set out the order in which the prescribed content of documents embodying a regulated consumer credit agreement, a regulated consumer hire agreement and a modifying agreement treated as a regulated agreement under section 82(3) of the Act is to be given and the place of the signature and separate boxes required under the Regulations;

(2) they amend regulation 2(7) by providing for an additional form of consent to be signed by a debtor in specified circumstances where the debtor is purchasing certain insurance products on credit;

(3) they substitute regulation 2(8) and (9) for regulation 2(7A) of the 1983 Regulations which provides that documents embodying certain consumer credit agreements (the principal agreements) and embodying, or containing the option of, certain agreements (the subsidiary agreements) relating to contracts of insurance against accident, sickness, unemployment or death or any contract relating to a guarantee of goods may contain with one minor exception only the information, statements and signature boxes relating to the principal agreement. The new provision extends the meaning of “subsidiary agreements” to cover contracts of shortfall insurance as now defined in regulation 1(2);

(4) they strengthen the legibility and prominence requirements in regulation 6(2) of the 1983 Regulations;

(5) they amend Schedule 7 to the 1983 Regulations by providing for the use of particular assumptions in calculating the APR and the Total Charge for Credit to be stated in running-account credit agreements;

(6) they amend Schedules 1, 3 and 8 by requiring certain additional information to be included in an agreement; and

(7) they amend Schedules 2 and 4 by simplifying the language used.

A full regulatory impact assessment of the effect that this instrument will have on costs to business is available from the Consumer and Competition Policy Directorate of the Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.