
STATUTORY INSTRUMENTS

2004 No. 1483

The Consumer Credit (Early Settlement) Regulations 2004

Entitlement to rebate

2.—(1) Subject to the following provisions of this regulation, the creditor shall allow to the debtor under a regulated consumer credit agreement a rebate at least equal to that calculated in accordance with the following provisions of these Regulations whenever early settlement takes place, that is to say whenever, under section 94 of the Act, on refinancing, on breach of the agreement or for any other reason, the indebtedness of the debtor is discharged or becomes payable before the time fixed by the agreement, or any sum becomes payable by him before the time so fixed.

(2) Paragraph (1) does not apply in the case of agreements of the following descriptions—

- (a) agreements under which no payments of items included in the total charge for credit are required to be made in respect of the period of time commencing on the settlement date;
- (b) agreements for running-account credit;
- (c) land mortgages under which no instalment repayments secured by the mortgage on the debtor's home, and no payment of interest on the credit (other than interest charged when all or part of the credit is repaid voluntarily by the debtor), are due or capable of becoming due while the debtor continues to occupy the mortgaged land as his main residence.

(3) Paragraph (1) does not apply where a hire-purchase or conditional sale agreement is terminated by the debtor under section 99 of the Act.

(4) Where a sum less than the total remaining indebtedness of the debtor is required to be paid before the time fixed by the agreement, no consequential payment of any subsequent instalment required to be paid under the agreement, or under a modifying agreement not relating to the provision of additional credit or an increase in the total charge for credit, shall entitle the debtor to a rebate.