

This Statutory Instrument has been made to correct errors and clarify certain provisions in S.I. 2007/1167 and is being issued free of charge to all known recipients of that Statutory Instrument.

STATUTORY INSTRUMENTS

2008 No. 1751

CONSUMER CREDIT

The Consumer Credit (Information Requirements and Duration of Licences and Charges) (Amendment) Regulations 2008

<i>Made</i>	- - - -	<i>2nd July 2008</i>
<i>Laid before Parliament</i>		<i>4th July 2008</i>
<i>Coming into force</i>	- -	<i>1st October 2008</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 77A(2), 78(4A), 86B(8), 130A(6), 182(2) and (4) and 189(1) of the Consumer Credit Act 1974(a).

Citation and commencement

1. These Regulations may be cited as the Consumer Credit (Information Requirements and Duration of Licences and Charges) (Amendment) Regulations 2008 and shall come into force on 1st October 2008.

Amendment to the Consumer Credit (Information Requirements and Duration of Licences and Charges) Regulations 2007

2. The Consumer Credit (Information Requirements and Duration of Licences and Charges) Regulations 2007(b) shall be amended as follows—

- (a) in regulation 6, after “amounts” insert “and dates”;
- (b) in regulation 7—
 - (i) before paragraph (a) insert—

“(za) the reference to opening balance in paragraph 3(f) of Schedule 1 may be construed as a reference to the aggregated opening balance;”;

and
 - (ii) after paragraph (c) insert—

“(cc) the reference to balance in paragraph 3(j) of Schedule 1 may be construed as a reference to the aggregated balance;”;
- (c) in regulation 9—
 - (i) for paragraph (2) substitute—

(a) 1974 c.39. Sections 77A(2),78(4A), 86B(8) and 130A(6) were added by section 6, 7, 9 and 17 respectively of the Consumer Credit Act 2006 c.14. Section 189(1) has been cited for the definitions of “prescribed” and “regulations”.
(b) S.I. 2007/1167.

“(2) Where the statement is not the first statement given under section 77A of the 1974 Act in relation to the agreements to which the agreement to aggregate relates, the reference to the amount of credit in paragraph 3(b) of Schedule 1 may be construed as a reference to the aggregated amount of credit provided, and where applicable, to be provided under those agreements.”; and

- (ii) paragraph (3) shall be deleted;
- (d) in regulation 10, at the end insert “and the information referred to in paragraph 3(h) of Schedule 1 may be omitted from the statement.”;
- (e) in regulation 12—
 - (i) in paragraph (2), for “maintained” substitute “operated”; and
 - (ii) for paragraph (3) substitute—

“(3) For the purposes of paragraph (2), “relevant website” has the same meaning as in article 14 of the Home Credit Market Investigation Order 2007(a).”;

- (f) for regulation 14 substitute—

“**14.** Subject to regulations 17 and 18, where the agreement to which the statement relates requires the payment each month of a minimum sum, the statement shall include the forms of wording set out in paragraphs 1 and 4 of Schedule 2, and in paragraph 2 of that Schedule if applicable, and the information set out in paragraph 3 of that Schedule.”;

- (g) Regulation 15 shall be deleted.
- (h) for regulation 16 substitute—

“**16.** Where the agreement to which the statement relates does not require the payment each month of a minimum sum, and the creditor has at any time during the period to which the statement relates required the debtor to repay sums which are due under the agreement, only the second form of wording set out in paragraph 4 of Schedule 2 shall be given.”;

- (i) in regulation 17, for “15” substitute “14”;
- (j) in regulation 19—
 - (i) in paragraph (1)(a), for “his payments” substitute “the sums payable”;
 - (ii) in paragraph (2)(c), for “19(1)” substitute “19(2)(b)”;
 - (iii) at the beginning of paragraph (3), insert “Subject to paragraph (3A).”;
 - (iv) after paragraph (3) insert—

“(3A) Where the rate or rates of interest provided for under the agreement are not applicable on a per annum basis, paragraph 9 of Schedule 3 shall not require amounts and dates of interest which became due during the period to which the notice relates to be set out separately in the notice.”;

- (k) in regulation 20(3), for paragraph (a) substitute—

“(a) the reference to sums paid in paragraph 8 of Schedule 3 may be construed as a reference to the aggregated sums which the debtor is permitted or required to pay; ”;

- (l) in regulation 21, for “payment made” substitute “a sum paid”;
- (m) in regulation 22—

- (i) for “section 86B(2)(b)” substitute “section 86B(2)”;
- (ii) in paragraph (a)—
 - (aa) at the end of sub-paragraph (i), delete “and”;
 - (bb) after that sub-paragraph insert—

(a) The Home Credit Market Investigation Order 2007 is made by the Competition Commission under its powers in section 161 and 164 of the Enterprise Act 2002 c.40: details of the Order can be found at <http://www.competition-commission.org.uk/inquiries/current/homecredit/order.pdf>.

- “(ia) the amount of the shortfall in paragraph 6 of that Schedule; and”; and
- (cc) after “the aggregated opening balance” the first time those words appear, insert “,the aggregated amount of the shortfall”;
- (n) in regulation 23, for paragraph (c) substitute—
 - “(c) the reference to sums paid in paragraph 8 of that Schedule may be construed as a reference to the aggregated sums which the debtor is permitted or required to pay; ”;
- (o) in regulation 38, delete paragraph (2)(a);
- (p) in regulation 40, in paragraph (1) after “Regulations” insert “,other than regulation 33,”;
- (q) in regulation 50, for paragraph (2) substitute—
 - “(2) Where pre-commencement information is included in a notice to which section 86(B)(2) applies it may be aggregated with—
 - (a) the amount of the shortfall in paragraph 6 of Schedule 3;
 - (b) the sum required to be included in the notice under paragraph 7 of that Schedule; or
 - (c) the sum required to be included in the notice under paragraph 12 of that Schedule. ”;
- (r) in Schedule 3—
 - (i) in paragraph 8, for “payment made” substitute “sums paid”; and
 - (ii) in paragraph 10, at the end add “and 9”; and
- (s) in Schedule 5, for paragraph 6 substitute—
 - “6. A statement in the following form—

‘Advice and information

You can also obtain advice and information about dealing with your debt issues from Citizens Advice, Consumer Credit Counselling Service, National Debtline, Consumer Direct, Consumerline and Community Legal Advice. [NOTE 1].’.

NOTE 1: Insert the contact details for the organisations referred to which are contained in the current Office of Fair Trading Default information sheet.”.

2nd July 2008

Gareth Thomas
Parliamentary Under Secretary of State for Trade and Consumer Affairs
Department for Business, Enterprise & Regulatory Reform

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Consumer Credit (Information Requirements and Duration of Licences and Charges) Regulations 2007 (S.I. 2007/1167) (the Principal Regulations).

Paragraphs (a) to (d) of regulation 2 clarify the application of certain provisions in the Principal Regulations relating to the content of statements provided in relation to fixed-sum credit agreements; paragraph (e) provides details of the Competition Commission website at which details of home credit loans can be compared; paragraphs (f) to (i) clarify the requirements relating to information in statements provided in relation to running-account credit agreements, primarily as regards credit cards; paragraph (j) corrects an error in regulation 19(2) of the Principal Regulations, and provides that certain information may be omitted from notices of sums in arrears under fixed-sum credit agreements, other than the first notice, where the rate or rates of interest under the agreement are not applicable on a per annum basis; paragraphs (j), (k), (l) and (n) make amendments to clarify the information to be included in such notices regarding sums paid into the debtor's account with the creditor; paragraph (m) clarifies what may be aggregated in such notices where the agreement to aggregate concerns agreements to which regulation 2(8) of the Consumer Credit (Agreements) Regulations 1983 (S.I.1983/1553) applies; paragraph (o) corrects an error in regulation 38 of the Principal Regulations; paragraph (p) exempts regulation 33 from the requirements in regulation 40 relating to the prominence of the information and wording required by the Principal Regulations, since the Consumer Credit (Enforcement, Default and Termination Notices) Regulations 1983 (S.I.1983/1561), which are amended by regulation 33, already contain requirements regarding the layout and prominence of information to which they apply; paragraph (q) clarifies what may be included as pre-commencement information in a notice of sums in arrears given in relation to a fixed-sum credit or regulated consumer hire agreement made before 1st October 2008; paragraph (r) clarifies in one respect the wording of information to be included, under Part 3 of Schedule 3 to the Principal Regulations, in notices of sums in arrears under fixed-sum credit agreements other than the first notice, and also corrects an error in that Part; and paragraph (s) amends the list in Schedule 5 to the Principal Regulations of organisations from whom advice and information about dealing with debt issues may be sought, by bringing it into line with corresponding information in current Office of Fair Trading Default information sheets.

An Impact Assessment has been prepared in respect of these Regulations and may be viewed at <http://www.ialibrary.berr.gov.uk>. The Regulatory Impact Assessment in respect of the Principal Regulations and the Regulatory Impact Assessment which accompanied the Consumer Credit Bill when it was introduced into the House of Commons in May 2005 may be viewed at <http://www.berr.gov.uk/consumers/consumer-finance/credit-act-2006/documents>.

£3.00

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E2687 7/2008 182687T 19585