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STATUTORY INSTRUMENTS

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**2010 No. 1010**

**The Consumer Credit (EU Directive) Regulations 2010**

**PART 2**

Amendments to primary legislation

**Withdrawal from consumer credit agreement**

13. After section 66 (acceptance of credit-tokens), insert—

*“Withdrawal from certain agreements*

**Withdrawal from consumer credit agreement**

**66A.**—(1) The debtor under a regulated consumer credit agreement, other than an excluded agreement, may withdraw from the agreement, without giving any reason, in accordance with this section.

(2) To withdraw from an agreement under this section the debtor must give oral or written notice of the withdrawal to the creditor before the end of the period of 14 days beginning with the relevant day.

(3) For the purposes of subsection (2) the relevant day is whichever is the latest of the following—

- (a) the day on which the agreement is made;
- (b) where the creditor is required to inform the debtor of the credit limit under the agreement, the day on which the creditor first does so;
- (c) in the case of an agreement to which section 61A (duty to supply copy of executed consumer credit agreement) applies, the day on which the debtor receives a copy of the agreement under that section or on which the debtor is informed as specified in subsection (3) of that section;
- (d) in the case of an agreement to which section 63 (duty to supply copy of executed agreement: excluded agreements) applies, the day on which the debtor receives a copy of the agreement under that section.

(4) Where oral notice under this section is given to the creditor it must be given in a manner specified in the agreement.

(5) Where written notice under this section is given by facsimile transmission or electronically—

- (a) it must be sent to the number or electronic address specified for the purpose in the agreement, and
- (b) where it is so sent, it is to be regarded as having been received by the creditor at the time it is sent (and section 176A does not apply).

(6) Where written notice under this section is given in any other form—

- (a) it must be sent by post to, or left at, the postal address specified for the purpose in the agreement, and
  - (b) where it is sent by post to that address, it is to be regarded as having been received by the creditor at the time of posting (and section 176 does not apply).
- (7) Subject as follows, where the debtor withdraws from a regulated consumer credit agreement under this section—
- (a) the agreement shall be treated as if it had never been entered into, and
  - (b) where an ancillary service relating to the agreement is or is to be provided by the creditor, or by a third party on the basis of an agreement between the third party and the creditor, the ancillary service contract shall be treated as if it had never been entered into.
- (8) In the case referred to in subsection (7)(b) the creditor must without delay notify any third party of the fact that the debtor has withdrawn from the agreement.
- (9) Where the debtor withdraws from an agreement under this section—
- (a) the debtor must repay to the creditor any credit provided and the interest accrued on it (at the rate provided for under the agreement), but
  - (b) the debtor is not liable to pay to the creditor any compensation, fees or charges except any non-returnable charges paid by the creditor to a public administrative body.
- (10) An amount payable under subsection (9) must be paid without undue delay and no later than the end of the period of 30 days beginning with the day after the day on which the notice of withdrawal was given (and if not paid by the end of that period may be recovered by the creditor as a debt).
- (11) Where a regulated consumer credit agreement is a conditional sale, hire-purchase or credit-sale agreement and—
- (a) the debtor withdraws from the agreement under this section after the credit has been provided, and
  - (b) the sum payable under subsection (9)(a) is paid in full by the debtor,
- title to the goods purchased or supplied under the agreement is to pass to the debtor on the same terms as would have applied had the debtor not withdrawn from the agreement.
- (12) In subsections (2), (4), (5), (6) and (9)(a) references to the creditor include a person specified by the creditor in the agreement.
- (13) In subsection (7)(b) the reference to an ancillary service means a service that relates to the provision of credit under the agreement and includes in particular an insurance or payment protection policy.
- (14) For the purposes of this section, an agreement is an excluded agreement if it is—
- (a) an agreement for credit exceeding £60, 260,
  - (b) an agreement secured on land,
  - (c) a restricted-use credit agreement to finance the purchase of land, or
  - (d) an agreement for a bridging loan in connection with the purchase of land.”.