
STATUTORY INSTRUMENTS

2010 No. 1010

The Consumer Credit (EU Directive) Regulations 2010

PART 2

Amendments to primary legislation

Linked credit agreements

25. After section 75, insert—

“Further provision for liability of creditor for breaches by supplier

75A.—(1) If the debtor under a linked credit agreement has a claim against the supplier in respect of a breach of contract the debtor may pursue that claim against the creditor where any of the conditions in subsection (2) are met.

(2) The conditions in subsection (1) are—

- (a) that the supplier cannot be traced,
- (b) that the debtor has contacted the supplier but the supplier has not responded,
- (c) that the supplier is insolvent, or
- (d) that the debtor has taken reasonable steps to pursue his claim against the supplier but has not obtained satisfaction for his claim.

(3) The steps referred to in subsection (2)(d) need not include litigation.

(4) For the purposes of subsection (2)(d) a debtor is to be deemed to have obtained satisfaction where he has accepted a replacement product or service or other compensation from the supplier in settlement of his claim.

(5) In this section “linked credit agreement” means a regulated consumer credit agreement which serves exclusively to finance an agreement for the supply of specific goods or the provision of a specific service and where—

- (a) the creditor uses the services of the supplier in connection with the preparation or making of the credit agreement, or
- (b) the specific goods or provision of a specific service are explicitly specified in the credit agreement.

(6) This section does not apply where—

- (a) the cash value of the goods or service is £30, 000 or less,
- (b) the linked credit agreement is for credit which exceeds £60, 260, or
- (c) the linked credit agreement is entered into by the debtor wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by him.

(7) Subsections (2) to (5) of section 16B (declaration by the debtor as to the purposes of the agreement) apply for the purposes of subsection (6)(c).”