
STATUTORY INSTRUMENTS

2010 No. 1011

**The Consumer Credit (Total Charge
for Credit) Regulations 2010**

Total charge for credit

4.—(1) The total charge for credit which may be provided under an actual or prospective consumer credit agreement shall be the total cost of credit to the debtor determined in accordance with the requirements in paragraphs (2) to (5) below.

(2) Subject to paragraph (3), the following costs shall be included in the total cost of credit to the debtor—

- (a) the costs of maintaining an account recording both payment transactions and drawdowns;
- (b) the costs of using a means of payment for both payment transactions and drawdowns;
- (c) other costs relating to payment transactions.

(3) The costs at paragraph (2) shall not be included in the total cost of credit to the debtor where—

- (a) the opening of the account is optional and the costs of the account have been clearly and separately shown in the consumer credit agreement or in any other agreement made with the debtor;
- (b) in the case of an overdraft facility the costs do not relate to that facility.

(4) Costs in respect of an ancillary service shall be included in the total cost of credit to the debtor if the conclusion of a service contract is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed.

(5) The total cost of credit to the debtor shall not include—

- (a) any charges payable by or on behalf of the debtor or a relative of his for non-compliance with his commitments contained in the consumer credit agreement;
- (b) charges which, for purchases of goods or services, he or a relative of his is obliged to pay whether the transaction is effected in cash or on credit.

(6) In paragraph (4), the reference to an ancillary service means a service that relates to the provision of credit under the consumer credit agreement and includes in particular an insurance or payment protection policy.