

2014 No. 2369

CONSUMER CREDIT

The Consumer Credit (Information Requirements and Duration of Licences and Charges) (Amendment) Regulations 2014

<i>Made</i>	- - - -	<i>4th September 2014</i>
<i>Laid before Parliament</i>		<i>5th September 2014</i>
<i>Coming into force</i>	- -	<i>26th September 2014</i>

The Treasury make the following Regulations in exercise of the powers conferred by sections 77A(2), 182(2)(a) and (b) 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 2014 and come into force on 26th September 2014.

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

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

(2) After regulation 1 (citation and commencement) insert—

“Application

1A. The following do not apply in relation to Northern Ireland—

- (a) regulation 4(aa) and (ba);
- (b) regulation 10A;
- (c) regulation 10B;
- (d) regulation 10C;
- (e) regulation 41A;
- (f) paragraph 3A of Part 1 of Schedule 1.”

(3) In regulation 2 (interpretation) in the appropriate places insert—

(a) 1974 c.39. Section 77A was inserted by section 6 of the Consumer Credit Act 2006 (c.14). Section 182(2) was amended by section 58(3) of the Consumer Credit Act 2006 and by S.I.s 2009/1835 and 2013/1882. The definition of “regulations” in section 189(1) was amended by S.I.2013/1882.

(b) S.I. 2007/1167, as amended by S.I.s 2008/1751 and 2012/2798. There are other amendments which are not relevant to these Regulations.

““current bill payer” means a person who is liable by virtue of section 1(6)(a) of the Energy Act 2011(a), whether alone or jointly with one or more other persons, to pay instalments under a green deal plan as a result of being for the time being liable to pay the energy bills for the property to which the plan relates;”;

““energy bill” has the meaning given in regulation 4(2) of the Green Deal Framework (Disclosure, Acknowledgment, Redress etc.) Regulations 2012(b);”;

““energy efficiency improvement” has the meaning given by section 2(4) of the Energy Act 2011;”;

““green deal consumer credit agreement” means a green deal plan that is to be treated as a consumer credit agreement for the purposes of the 1974 Act by virtue of section 189B(1)(c) of that Act;”;

““prepayment meter” has the meaning given in regulation 2 of the Electricity (Prepayment Meter) Regulations 2006(d);”;

““property”, in relation to a green deal plan, means the property to which the energy efficiency improvements under the green deal plan are, or are intended to be, made;”;

““relevant energy supplier” has the meaning given in regulation 4(2) of the Green Deal Framework (Disclosure, Acknowledgment, Redress etc.) Regulations 2012.”.

(4) In regulation 4 (content of statements provided in relation to fixed-sum credit agreements)—

(a) in the opening words, after “9,” insert “10A, 10B and 10C, as appropriate,”;

(b) in paragraph (a) before “the” insert “except where paragraph (aa) applies,”;

(c) after paragraph (a) insert—

“(aa) where the statement relates to a green deal plan made before 28th February 2014 and the creditor knows, or has reasonable cause to believe, that the debtor is not the current bill payer, the information set out in paragraphs 1, 2, 3(a), 3(b) and 3(e) of Part 1 of Schedule 1, and Part 1A of Schedule 1;”;

(d) in paragraph (b), omit “sub-”;

(e) in paragraph (ba) after “plan” insert “made before 28th February 2014 or a green deal consumer credit agreement”.

(5) After regulation 10 (content of statements provided in relation to fixed-sum credit agreements) insert—

“**10A.**—(1) This regulation applies to a statement provided in relation to a green deal consumer credit agreement.

(2) The statement must not include information relating to a person who, at the time the statement is produced, is no longer a current bill payer, and must only show payments into, and movements in, the account of the current bill payer relating to the agreement.

(3) The balances required by paragraphs 3(f) and 3(j) of Part 1 of Schedule 1 are to be calculated or based on the assumption that any liability which fell due for payment before the current bill payer became the current bill payer, was paid on time.

(4) In any case where—

(a) there was more than one current bill payer in the period to which a previous statement related; and

(b) any one or more of them is no longer a current bill payer;

(a) 2011 c.16.

(b) S.I. 2012/2079, to which there are amendments not relevant to these Regulations.

(c) Section 189B was inserted by S.I. 2014/436.

(d) S.I. 2006/2010.

the balances required by paragraphs 3(f) and 3(j) of Part 1 of Schedule 1 are to be calculated or based on the assumption that any liability which fell due for payment by a person who is no longer a current bill payer, was paid on time.

(5) In any case where a current bill payer switched relevant energy supplier during the period to which the statement relates—

- (a) the balances required by paragraphs 3(f) and 3(j) of Part 1 of Schedule 1 are to be calculated or based on the assumption that any liability which fell due for payment before the date of the switch, was paid on time; and
- (b) the statement must include a form of wording informing the current bill payer that any liability owing before the date of the switch is not shown on the statement but remains owing to the creditor, and will be collected by the previous relevant energy supplier.

10B.—(1) This regulation applies to a statement provided in relation to a green deal plan made before 28th February 2014.

(2) The statement must not include information relating to a person other than the debtor, and must only show payments into, and movements in, the account of the debtor relating to the agreement.

(3) The balances required by paragraphs 3(f) and 3(j) of Part 1 of Schedule 1 are to be calculated or based on the assumption that any liability which fell due for payment before the debtor became the debtor, was paid on time.

(4) In any case where—

- (a) there was more than one debtor in the period to which a previous statement related; and
- (b) any one or more of them is no longer the debtor;

the balances required by paragraphs 3(f) and 3(j) of Part 1 of Schedule 1 are to be calculated or based on the assumption that any liability which fell due for payment by a person who is no longer the debtor, was paid on time.

(5) In any case where the debtor switched relevant energy supplier during the period to which the statement relates—

- (a) the balances required by paragraphs 3(f) and 3(j) of Part 1 of Schedule 1 are to be calculated or based on the assumption that any liability which fell due for payment before the date of the switch, was paid on time; and
- (b) the statement must include a form of wording informing the debtor that any liability owing before the date of the switch is not shown on the statement but remains owing to the creditor, and will be collected by the previous relevant energy supplier.

10C.—(1) This regulation applies to a statement provided in relation to a green deal plan made before 28th February 2014 or a green deal consumer credit agreement, where—

- (a) the creditor has been informed by the relevant energy supplier that the current bill payer has taken his supply of electricity through a prepayment meter during part or all of the period to which the statement relates; and
- (b) the creditor has not been informed of either or both of the following—
 - (i) the date on which a payment is made into the account of the current bill payer relating to the agreement;
 - (ii) the amount of a payment made into that account.

(2) The following information in Part 1 of Schedule 1 may, to the extent necessary as a result of the creditor not being informed of any of the information referred to in paragraph (1)(b), be based on the assumption that the current bill payer paid the amount accruing under the green deal plan during the period to which the statement relates—

- (a) in paragraph 3(g), dates and amounts of payments;

- (b) in paragraph 3(h), interest or other charges;
- (c) in paragraph 3(j), the balance under the agreement at the end of the period to which the statement relates.

(3) The information required by paragraph 3(f) of Part 1 of Schedule 1 may, to the extent necessary as a result of the creditor not being informed of any of the information referred to in paragraph (1)(b), be based on the assumption that the person who was the current bill payer for the period preceding the period to which the statement relates paid the amount accruing under the green deal plan during that preceding period.

(4) The information mentioned in paragraph (2)(a), and the information mentioned in paragraph (2)(b), may be aggregated in each case on a monthly basis.

(5) Where a statement is produced in reliance on paragraphs (2), (3) or (4), the statement must include a form of wording informing the current bill payer of this, and clearly explaining the effect of the paragraph, or paragraphs, relied on.

(6) For the purposes of this regulation, where a payment is made into the account of the current bill payer with the relevant energy supplier, that payment is to be treated as made into the account of the current bill payer with the creditor.”.

(6) After regulation 41 (errors and omissions) insert—

“**41A.**—(1) Where a statement relates to a green deal plan made before 28th February 2014, or a green deal consumer credit agreement, and the statement contains an error or omission which arises as a result of one or more of the grounds specified in paragraph (2)—

- (a) the statement shall not breach these Regulations on this ground alone; and
- (b) paragraphs (3) to (5) apply.

(2) The grounds specified in this paragraph are—

- (a) a failure to provide information to the creditor by, or on behalf of, the relevant energy supplier;
- (b) an error or omission in the information provided to the creditor by, or on behalf of, the relevant energy supplier;
- (c) an error or omission in the information held by the creditor not falling within sub-paragraph (b);

where, at the time of providing the statement, the creditor did not know, and could not reasonably have been expected to know, that the relevant energy supplier had failed to provide information, or provided incorrect information, or that there was an error or omission in the information held by them (as the case may be).

(3) Where the error or omission resulted in an error in the closing balance of the previous statement, the first statement provided after the creditor becomes aware of the error or omission must include—

- (a) a balance carried forward, which is the closing balance from the previous statement;
- (b) the amount and date of any payment which was omitted from the previous statement in error;
- (c) the amount and date of any adjustment to—
 - (i) a payment;
 - (ii) an interest or other charge;
 - (iii) any other movement in the account of the debtor or the current bill payer relating to the agreement;

which was incorrectly shown in the previous statement;

- (d) an opening balance, which is the amount required by sub-paragraph (a) adjusted, as necessary, to take account of the amounts required to be included by virtue of sub-paragraphs (b) and (c).

(4) Subject to regulation 41, where the error or omission did not result in an error in the closing balance of the previous statement, the first statement provided after the creditor becomes aware of the error or omission must identify and correct that error or omission (as the case may be).

(5) Where a statement is produced in reliance on paragraphs (3) or (4), the statement must include a form of wording clearly explaining the effect of paragraph (3), or (4) (as the case may be).”.

(7) In Schedule 1—

(a) after paragraph 3 insert—

“**3A.** In this Part, where a statement relates to a green deal consumer credit agreement, a payment made into the account of the current bill payer with the relevant energy supplier, is to be treated as made into the account of the current bill payer with the creditor relating to the agreement.

PART 1A

Regulation 4(aa)

ADDITIONAL INFORMATION TO BE INCLUDED IN STATEMENTS RELATING TO GREEN DEAL PLANS MADE BEFORE 28TH FEBRUARY 2014

3B. The balance under the agreement at the end of the period to which the statement relates, which is to be based on the assumption that all liabilities which fell due during the period to which the statement relates have been paid.”;

(b) for the heading to Part 2A substitute—

“ADDITIONAL INFORMATION TO BE INCLUDED IN STATEMENTS RELATING TO GREEN DEAL PLANS MADE BEFORE 28TH FEBRUARY 2014 AND GREEN DEAL CONSUMER CREDIT AGREEMENTS”;

(c) in paragraph 4A—

(i) after “Each of the following forms of wording shall be contained in a statement under this Part—” insert—

““**Your Green Deal Plan**

This credit agreement is part of a Green Deal Plan. Regular instalments are therefore collected through the electricity bill for this property. To keep this credit agreement up to date, it is important that your electricity bill is paid on time and as agreed with your electricity supplier. The bill payer or bill payers remain free to change the payment method and payment schedule of the electricity bill in line with the electricity supplier’s policies, without any penalty or extra charges. If you wish to change payment frequency, you are advised to contact the electricity supplier directly.”;

(ii) after “Financial Ombudsman or the” for “Energy” substitute “Green Deal”;

(iii) before “cost you more to pay off” insert “could”;

(iv) after “Citizens Advice service.” insert—

““**Payments**

This statement may not include a payment, or payments, made recently to the electricity supplier which has not yet been passed on to us.”;

“Previous bill payers’ payments and arrears

This statement does not contain information about payments made and arrears incurred by previous bill payers before the date on which the current bill payer or bill payers became liable for payments.””.

*Gavin Barwell
David Evennett*

4th September 2014

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 26th September 2014, amend the Consumer Credit (Information Requirements and Duration of Licences and Charges) Regulations 2007 (“the 2007 Regulations”). The 2007 Regulations prescribe information and forms of wording which must be included in certain statements and notices which creditors and owners are required to give to debtors and hirers under the Consumer Credit Act 1974.

These Regulations amend the requirements of the 2007 Regulations for statements given under section 77A of the Consumer Credit Act 1974 in relation to green deal plans. (A green deal plan is an arrangement made by the occupier, or owner, of a property for a person to make energy efficiency improvements to the property, which are to be paid for wholly, or partly, in instalments. The instalments are paid by the person who is for the time being liable to pay the energy bills for the property, and are made to the relevant energy supplier through the energy bills for the property).

These Regulations amend regulation 4 of the 2007 Regulations to modify the information that must be included in a statement which relates to a green deal plan made before 28th February 2014.

They insert new regulations (regulations 10A and 10B) which apply to statements relating to green deal plans, where there has been a change of bill payer or a change of energy supplier during the period to which the statement relates. The regulations provide that the statements must be based on the assumption that any liability which fell due for payment before the date of the change was paid on time.

They insert a new regulation (regulation 10C) which applies to statements relating to green deal plans, where the person who is liable to pay the instalments under the green deal plan is supplied with electricity through a prepayment meter. The regulation provides that, where incomplete information is available to the creditor, the statements may be based on the assumption that the person who is liable to pay the instalments paid the amount accruing under the agreement during the period to which the statement relates.

They insert a new regulation (regulation 41A) which applies to statements relating to green deal plans which contain an error or omission. The regulation provides that the statement will not breach the 2007 Regulations on that ground where the error or omission has arisen as a result of the relevant energy supplier failing to provide information to the creditor, or as a result of an error or omission in the information held by the creditor, where the creditor did not know, and could not reasonably have been expected to know, of the error or omission. Where a statement is provided containing an error or omission, regulation 41A requires a subsequent statement to include the correct information, and a corrected opening balance where appropriate.

An impact assessment has not been prepared for this instrument as no significant impact on the private, voluntary or public sectors is foreseen.

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