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DRAFT SCOTTISH STATUTORY INSTRUMENTS

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**2010 No.**

**The Applications by Creditors (Pre-Action Requirements) (Scotland) Order 2010**

**Requirement to provide information about the default**

2.—(1) In section 5B(2)(b) of the 1894 Act and section 24A(2)(b) of the 1970 Act the requirement that information about the amount due include information about charges in respect of redemption is removed.

(2) In providing the debtor with clear information for the purposes of section 5B(2) of the 1894 Act and section 24A(2) of the 1970 Act—

- (a) information about the terms of the security must include a description of the nature and level of any charges that may be incurred by virtue of the contract to which the security relates if the default is not remedied; and
- (b) information about the amount due to the creditor under the security, including any arrears and any charges in respect of late payment must be broken down so as to show—
  - (i) the total amount of the arrears; and
  - (ii) the total outstanding amount due including any charges already incurred.

(3) For the purposes of those sections “charges” do not include any expenses for which the debtor is personally liable to the creditor by virtue of paragraph 12 of Schedule 3 to the 1970 Act, as read with section 11 of that Act<sup>(1)</sup>.

(4) The information required to be provided to the debtor by virtue of those sections must be provided as soon as is reasonably practicable upon the debtor entering into default.

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(1) Section 11 was amended by the Redemption of Standard Securities (Scotland) Act 1971 (c.45), section 1(a); and by the Abolition of Feudal Tenure etc. (Scotland) Act 2000 (asp 5), schedule 12, paragraph 30(8).