



# Consumer Credit Act 1974

## 1974 CHAPTER 39

### PART VI

#### MATTERS ARISING DURING CURRENCY OF CREDIT OR HIRE AGREEMENTS

#### **75 Liability of creditor for breaches by supplier**

- (1) If the debtor under a debtor-creditor-supplier agreement falling within section 12(b) or (c) has, in relation to a transaction financed by the agreement, any claim against the supplier in respect of a misrepresentation or breach of contract, he shall have a like claim against the creditor, who, with the supplier, shall accordingly be jointly and severally liable to the debtor.
- (2) Subject to any agreement between them, the creditor shall be entitled to be indemnified by the supplier for loss suffered by the creditor in satisfying his liability under subsection (1), including costs reasonably incurred by him in defending proceedings instituted by the debtor.
- (3) Subsection (1) does not apply to a claim—
  - (a) under a non-commercial agreement, or
  - (b) so far as the claim relates to any single item to which the supplier has attached a cash price not exceeding £30 or more than £10,000.
- (4) This section applies notwithstanding that the debtor, in entering into the transaction, exceeded the credit limit or otherwise contravened any term of the agreement.
- (5) In an action brought against the creditor under subsection (1) he shall be entitled, in accordance with rules of court, to have the supplier made a party to the proceedings.

#### **76 Duty to give notice before taking certain action**

- (1) The creditor or owner is not entitled to enforce a term of a regulated agreement by—
  - (a) demanding earlier payment of any sum, or
  - (b) recovering possession of any goods or land, or

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- (c) treating any right conferred on the debtor or hirer by the agreement as terminated, restricted or deferred,  
 except by or after giving the debtor or hirer not less than seven days' notice of his intention to do so.
- (2) Subsection (1) applies only where—
  - (a) a period for the duration of the agreement is specified in the agreement, and
  - (b) that period has not ended when the creditor or owner does an act mentioned in subsection (1),
 but so applies notwithstanding that, under the agreement, any party is entitled to terminate it before the end of the period so specified.
- (3) A notice under subsection (1) is ineffective if not in the prescribed form.
- (4) Subsection (1) does not prevent a creditor from treating the right to draw on any credit as restricted or deferred and taking such steps as may be necessary to make the restriction or deferment effective.
- (5) Regulations may provide that subsection (1) is not to apply to agreements described by the regulations.
- (6) Subsection (1) does not apply to a right of enforcement arising by reason of any breach by the debtor or hirer of the regulated agreement.

## **77 Duty to give information to debtor under fixed-sum credit agreement**

- (1) The creditor under a regulated agreement for fixed-sum credit, within the prescribed period after receiving a request in writing to that effect from the debtor and payment of a fee of 15 new pence, shall give the debtor a copy of the executed agreement (if any) and of any other document referred to in it, together with a statement signed by or on behalf of the creditor showing, according to the information to which it is practicable for him to refer.—
  - (a) the total sum paid under the agreement by the debtor;
  - (b) the total sum which has become payable under the agreement by the debtor but remains unpaid, and the various amounts comprised in that total sum, with the date when each became due; and
  - (c) the total sum which is to become payable under the agreement by the debtor, and the various amounts comprised in that total sum, with the date, or mode of determining the date, when each becomes due.
- (2) If the creditor possesses insufficient information to enable him to ascertain the amounts and dates mentioned in subsection (1)(c), he shall be taken to comply with that paragraph if his statement under subsection (1) gives the basis on which, under the regulated agreement, they would fall to be ascertained.
- (3) Subsection (1) does not apply to—
  - (a) an agreement under which no sum is, or will or may become, payable by the debtor, or
  - (b) a request made less than one month after a previous request under that subsection relating to the same agreement was complied with.
- (4) If the creditor under an agreement fails to comply with subsection (1)—
  - (a) he is not entitled, while the default continues, to enforce the agreement; and

- (b) if the default continues for one month he commits an offence.
- (5) This section does not apply to a non-commercial agreement.

## **78 Duty to give information to debtor under running-account credit agreement**

- (1) The creditor under a regulated agreement for running-account credit, within the prescribed period after receiving a request in writing to that effect from the debtor and payment of a fee of 15 new pence, shall give the debtor a copy of the executed agreement (if any) and of any other document referred to in it, together with a statement signed by or on behalf of the creditor showing, according to the information to which it is practicable for him to refer.—
- (a) the state of the account, and
  - (b) the amount, if any, currently payable under the agreement by the debtor to the creditor, and
  - (c) the amounts and due dates of any payments which, if the debtor does not draw further on the account, will later become payable under the agreement by the debtor to the creditor.
- (2) If the creditor possesses insufficient information to enable him to ascertain the amounts and dates mentioned in subsection (1)(c), he shall be taken to comply with that paragraph if his statement under subsection (1) gives the basis on which, under the regulated agreement, they would fall to be ascertained.
- (3) Subsection (1) does not apply to—
- (a) an agreement under which no sum is, or will or may become, payable by the debtor, or
  - (b) a request made less than one month after a previous request under that subsection relating to the same agreement was complied with.
- (4) Where running-account credit is provided under a regulated agreement, the creditor shall give the debtor statements in the prescribed form, and with the prescribed contents—
- (a) showing according to the information to which it is practicable for him to refer, the state of the account at regular intervals of not more than twelve months, and
  - (b) where the agreement provides, in relation to specified periods, for the making of payments by the debtor, or the charging against him of interest or any other sum, showing according to the information to which it is practicable for him to refer the state of the account at the end of each of those periods during which there is any movement in the account.
- (5) A statement under subsection (4) shall be given within the prescribed period after the end of the period to which the statement relates.
- (6) If the creditor under an agreement fails to comply with subsection (1)—
- (a) he is not entitled, while the default continues, to enforce the agreement; and
  - (b) if the default continues for one month he commits an offence.
- (7) This section does not apply to a non-commercial agreement, and subsections (4) and (5) do not apply to a small agreement.

## **79 Duty to give hirer information**

- (1) The owner under a regulated consumer hire agreement, within the prescribed period after receiving a request in writing to that effect from the hirer and payment of a fee of 15 new pence, shall give to the hirer a copy of the executed agreement and of any other document referred to in it, together with a statement signed by or on behalf of the owner showing, according to the information to which it is practicable for him to refer, the total sum which has become payable under the agreement by the hirer but remains unpaid and the various amounts comprised in that total sum, with the date when each became due.
- (2) Subsection (1) does not apply to—
  - (a) an agreement under which no sum is, or will or may become, payable by the hirer, or
  - (b) a request made less than one month after a previous request under that subsection relating to the same agreement was complied with.
- (3) If the owner under an agreement fails to comply with subsection (1)—
  - (a) he is not entitled, while the default continues, to enforce the agreement; and
  - (b) if the default continues for one month he commits an offence.
- (4) This section does not apply to a non-commercial agreement.

## **80 Debtor or hirer to give information about goods**

- (1) Where a regulated agreement, other than a non-commercial agreement, requires the debtor or hirer to keep goods to which the agreement relates in his possession or control, he shall, within seven working days after he has received a request in writing to that effect from the creditor or owner, tell the creditor or owner where the goods are.
- (2) If the debtor or hirer fails to comply with subsection (1), and the default continues for 14 days, he commits an offence.

## **81 Appropriation of payments**

- (1) Where a debtor or hirer is liable to make to the same person payments in respect of two or more regulated agreements, he shall be entitled, on making any payment in respect of the agreements which is not sufficient to discharge the total amount then due under all the agreements, to appropriate the sum so paid by him—
  - (a) in or towards the satisfaction of the sum due under any one of the agreements, or
  - (b) in or towards the satisfaction of the sums due under any two or more of the agreements in such proportions as he thinks fit.
- (2) If the debtor or hirer fails to make any such appropriation where one or more of the agreements is—
  - (a) a hire-purchase agreement or conditional sale agreement, or
  - (b) a consumer hire agreement, or
  - (c) an agreement in relation to which any security is provided,the payment shall be appropriated towards the satisfaction of the sums due under the several agreements respectively in the proportions which those sums bear to one another.

## **82 Variation of agreements**

- (1) Where, under a power contained in a regulated agreement, the creditor or owner varies the agreement, the variation shall not take effect before notice of it is given to the debtor or hirer in the prescribed manner.
- (2) Where an agreement (a "modifying agreement") varies or supplements an earlier agreement, the modifying agreement shall for the purposes of this Act be treated as—
  - (a) revoking the earlier agreement, and
  - (b) containing provisions reproducing the combined effect of the two agreements, and obligations outstanding in relation to the earlier agreement shall accordingly be treated as outstanding instead in relation to the modifying agreement.
- (3) If the earlier agreement is a regulated agreement but (apart from this subsection) the modifying agreement is not then, unless the modifying agreement is for running-account credit, it shall be treated as a regulated agreement.
- (4) If the earlier agreement is a regulated agreement for running-account credit, and by the modifying agreement the creditor allows the credit limit to be exceeded but intends the excess to be merely temporary, Part V (except section 56) shall not apply to the modifying agreement.
- (5) If—
  - (a) the earlier agreement is a cancellable agreement, and
  - (b) the modifying agreement is made within the period applicable under section 68 to the earlier agreement,then, whether or not the modifying agreement would, apart from this subsection, be a cancellable agreement, it shall be treated as a cancellable agreement in respect of which a notice may be served under section 68 not later than the end of the period applicable under that section to the earlier agreement.
- (6) Except under subsection (5), a modifying agreement shall not be treated as a cancellable agreement.
- (7) This section does not apply to a non-commercial agreement.

## **83 Liability for misuse of credit facilities**

- (1) The debtor under a regulated consumer credit agreement shall not be liable to the creditor for any loss arising from use of the credit facility by another person not acting, or to be treated as acting, as the debtor's agent.
- (2) This section does not apply to a non-commercial agreement, or to any loss in so far as it arises from misuse of an instrument to which section 4 of the Cheques Act 1957 applies.

## **84 Misuse of credit-tokens**

- (1) Section 83 does not prevent the debtor under a credit-token agreement from being made liable to the extent of £30 (or the credit limit if lower) for loss to the creditor arising from use of the credit-token by other persons during a period beginning when the credit-token ceases to be in the possession of any authorised person and ending when the credit-token is once more in the possession of an authorised person.

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- (2) Section 83 does not prevent the debtor under a credit-token agreement from being made liable to any extent for loss to the creditor from use of the credit-token by a person who acquired possession of it with the debtor's consent.
- (3) Subsections (1) and (2) shall not apply to any use of the credit-token after the creditor has been given oral or written notice that it is lost or stolen, or is for any other reason liable to misuse.
- (4) Subsections (1) and (2) shall not apply unless there are contained in the credit-token agreement in the prescribed manner particulars of the name, address and telephone number of a person stated to be the person to whom notice is to be given under subsection (3).
- (5) Notice under subsection (3) takes effect when received, but where it is given orally, and the agreement so requires, it shall be treated as not taking effect if not confirmed in writing within seven days.
- (6) Any sum paid by the debtor for the issue of the credit-token, to the extent (if any) that it has not been previously offset by use made of the credit-token, shall be treated as paid towards satisfaction of any liability under subsection (1) or (2).
- (7) The debtor, the creditor, and any person authorised by the debtor to use the credit-token, shall be authorised persons for the purposes of subsection (1).
- (8) Where two or more credit-tokens are given under one credit-token agreement, the preceding provisions of this section apply to each credit-token separately.

#### **85 Duty on issue of new credit-tokens**

- (1) Whenever, in connection with a credit-token agreement, a credit-token (other than the first) is given by the creditor to the debtor, the creditor shall give the debtor a copy of the executed agreement (if any) and of any other document referred to in it.
- (2) If the creditor fails to comply with this section—
  - (a) he is not entitled, while the default continues, to enforce the agreement; and
  - (b) if the default continues for one month he commits an offence.
- (3) This section does not apply to a small agreement.

#### **86 Death of debtor or hirer**

- (1) The creditor or owner under a regulated agreement is not entitled, by reason of the death of the debtor or hirer, to do an act specified in paragraphs (a) to (e) of section 87(1) if at the death the agreement is fully secured.
- (2) If at the death of the debtor or hirer a regulated agreement is only partly secured or is unsecured, the creditor or owner is entitled, by reason of the death of the debtor or hirer, to do an act specified in paragraphs (a) to (e) of section 87(1) on an order of the court only.
- (3) This section applies in relation to the termination of an agreement only where—
  - (a) a period for its duration is specified in the agreement, and
  - (b) that period has not ended when the creditor or owner purports to terminate the agreement,

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but so applies notwithstanding that, under the agreement, any party is entitled to terminate it before the end of the period so specified.

- (4) This section does not prevent the creditor from treating the right to draw on any credit as restricted or deferred, and taking such steps as may be necessary to make the restriction or deferment effective.
- (5) This section does not affect the operation of any agreement providing for payment of sums—
  - (a) due under the regulated agreement, or
  - (b) becoming due under it on the death of the debtor or hirer, out of the proceeds of a policy of assurance on his life.
- (6) For the purposes of this section an act is done by reason of the death of the debtor or hirer if it is done under a power conferred by the agreement which is—
  - (a) exercisable on his death, or
  - (b) exercisable at will and exercised at any time after his death.