



# Consumer Credit Act 1974

## 1974 CHAPTER 39

### PART VI

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

##### *<sup>F1</sup>Sums in arrears and default sums*

##### <sup>F1</sup> <sup>F2</sup>**86D** Failure to give notice of sums in arrears

- (1) This section applies where the creditor or owner under an agreement is under a duty to give the debtor or hirer notices under section 86B but fails to give him such a notice—
  - (a) within the period mentioned in subsection (2)(a) of that section; or
  - (b) within the period of six months beginning with the day after the day on which such a notice was last given to him.
- (2) This section also applies where the creditor under an agreement is under a duty to give the debtor a notice under section 86C but fails to do so before the end of the period mentioned in subsection (2) of that section.
- (3) The creditor or owner shall not be entitled to enforce the agreement during the period of non-compliance.
- (4) The debtor or hirer shall have no liability to pay—
  - (a) any sum of interest to the extent calculated by reference to the period of non-compliance or to any part of it; or
  - (b) any default sum which (apart from this paragraph)—
    - (i) would have become payable during the period of non-compliance; or
    - (ii) would have become payable after the end of that period in connection with a breach of the agreement which occurs during that period (whether or not the breach continues after the end of that period).
- (5) In this section ‘the period of non-compliance’ means, in relation to a failure to give a notice under section 86B or 86C to the debtor or hirer, the period which—

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*Changes to legislation: Consumer Credit Act 1974, Section 86D is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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- (a) begins immediately after the end of the period mentioned in (as the case may be) subsection (1)(a) or (b) or (2); and
  - (b) ends at the end of the day mentioned in subsection (6).
- (6) That day is—
- (a) in the case of a failure to give a notice under section 86B as mentioned in subsection (1)(a) of this section, the day on which the notice is given to the debtor or hirer;
  - (b) in the case of a failure to give a notice under that section as mentioned in subsection (1)(b) of this section, the earlier of the following—
    - (i) the day on which the notice is given to the debtor or hirer;
    - (ii) the day on which the condition mentioned in subsection (4)(a) of that section is satisfied;
  - (c) in the case of a failure to give a notice under section 86C, the day on which the notice is given to the debtor.]]

#### Textual Amendments

- F1** S. 86B and preceding cross-heading inserted (16.6.2006 for certain purposes and otherwise 1.10.2008) by [Consumer Credit Act 2006 \(c. 14\)](#), ss. {9}, 71(2) (with Sch. 3 para. 6); [S.I. 2006/1508](#), [art. 3\(1\)](#), [Sch. 1](#); [S.I. 2007/3300](#), [art. 3\(3\)](#), [Sch. 3](#)
- F2** S. 86D inserted (1.10.2008) by [Consumer Credit Act 2006 \(c. 14\)](#), ss. {11}, 71(2); [S.I. 2007/3300](#), [art. 3\(3\)](#), [Sch. 3](#)

**Changes to legislation:**

Consumer Credit Act 1974, Section 86D is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 25(2A)(b)(ia) inserted by [2010 c. 28 Sch. 2 para. 36](#)