

# Consumer Credit Act 1974

## **1974 CHAPTER 39**

#### PART VII

# **DEFAULT AND TERMINATION**

## Default notices

#### 88 Contents and effect of default notice.

- (1) The default notice must be in the prescribed form and specify—
  - (a) the nature of the alleged breach;
  - (b) if the breach is capable of remedy, what action is required to remedy it and the date before which that action is to be taken;
  - (c) if the breach is not capable of remedy, the sum (if any) required to be paid as compensation for the breach, and the date before which it is to be paid.
- (2) A date specified under subsection (1) must not be less than [F114] days after the date of service of the default notice, and the creditor or owner shall not take action such as is mentioned in section 87(1) before the date so specified or (if no requirement is made under subsection (1)) before those [F114] days have elapsed.
- (3) The default notice must not treat as a breach failure to comply with a provision of the agreement which becomes operative only on breach of some other provision, but if the breach of that other provision is not duly remedied or compensation demanded under subsection (1) is not duly paid, or (where no requirement is made under subsection (1)) if the [F114] days mentioned in subsection (2) have elapsed, the creditor or owner may treat the failure as a breach and section 87(1) shall not apply to it.
- (4) The default notice must contain information in the prescribed terms about the consequences of failure to comply with it [F2 and any other prescribed matters relating to the agreement].
- [F3(4A) The default notice must also include a copy of the current default information sheet under section 86A.]

Changes to legislation: Consumer Credit Act 1974, Section 88 is up to date with all changes known to be in force on or before 15 June 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

(5) A default notice making a requirement under subsection (1) may include a provision for the taking of action such as is mentioned in section 87(1) at any time after the restriction imposed by subsection (2) will cease, together with a statement that the provision will be ineffective if the breach is duly remedied or the compensation duly paid.

#### **Textual Amendments**

- F1 Words in s. 88(2)(3) substituted (1.10.2006) by Consumer Credit Act 2006 (c. 14), ss. {14(1)}, 71(2) (with Sch. 3 para. 10); S.I. 2006/1508, art. 3(2), Sch. 2
- **F2** Words in s. 88(4) inserted (16.6.2006) by Consumer Credit Act 2006 (c. 14), ss. {14(2)}, 71(2) (with Sch. 3 para. 10); S.I. 2006/1508, art. 3(1), Sch. 1
- F3 S. 88(4A) inserted (1.10.2008) by Consumer Credit Act 2006 (c. 14), ss. {14(3)}, 71(2) (with Sch. 3 para. 10); S.I. 2007/3300, art. 3(3), Sch. 3

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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