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 STATUTORY INSTRUMENTS
 

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1983 No. 1560

## CONSUMER CREDIT

**The Consumer Credit (Linked Transactions) (Exemptions)  
Regulations 1983**

<i>Made</i>	- - - -	<i>24th October 1983</i>
<i>Laid before Parliament</i>		<i>3rd November 1983</i>
<i>Coming into Operation</i>		<i>19th May 1985</i>

The Secretary of State, in exercise of the powers conferred on him by sections 19(4), 69(5), 96(3) and 189(1) of the Consumer Credit Act 1974(a) and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

*Citation, commencement and interpretation*

1.—(1) These Regulations may be cited as the Consumer Credit (Linked Transactions) (Exemptions) Regulations 1983 and shall come into operation on 19th May 1985.

(2) In these Regulations—

“the Act” means the Consumer Credit Act 1974;

“contract of insurance” has the same meaning as it has in the Insurance Companies Act 1982(b);

“deposit” has the same meaning as in the Banking Act 1979(c); and

“guarantee of goods” means anything in writing which contains or purports to contain some promise or assurance (however worded or presented) that defects in goods will be made good by complete or partial replacement, or by repair, monetary compensation or otherwise.

*Exempted linked transactions*

2.—(1) The linked transactions of the descriptions specified in paragraph (2) below shall be excluded from—

(a) the operation of section 19(3) of the Act (which provides that a linked transaction entered into before the making of the regulated consumer credit agreement or regulated consumer hire agreement to which it relates has no effect until such time (if any) as that agreement is made);

(b) section 69(1)(i) and (ii) (which provides that a notice of cancellation

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(a) 1974 c. 39.  
 (b) 1982 c. 50.  
 (c) 1979 c. 37.

served by the debtor or hirer under a cancellable agreement shall operate to cancel any linked transaction and to withdraw any offer by the debtor or hirer, or his relative, to enter into a linked transaction); and

- (c) the operation of section 96(1) (which provides that where the indebtedness of the debtor under a regulated consumer credit agreement is discharged before the time fixed by the agreement, he, and any relative of his, shall be discharged from any liability under a linked transaction, other than a debt which has already become payable).

(2) The linked transactions referred to in paragraph (1) above are as follows—

- (a) contracts of insurance;
- (b) other contracts in so far as they contain a guarantee of goods; or
- (c) transactions comprising or effected under—
- (i) any agreement for the operation of any account (including any savings account) for the deposit of money; or
- (ii) any agreement for the operation of a current account, under which the customer may, by means of cheques or similar orders payable to himself or to any other person, obtain or have the use of money held or made available by the person with whom the account is kept and which records alterations in the financial relationship between the said person and the customer.

24th October 1983.

*Alexander Fletcher,*  
Parliamentary Under-Secretary of State,  
Department of Trade and Industry.

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#### EXPLANATORY NOTE

*(This Note is not part of the Regulations.)*

These Regulations exclude certain transactions (“linked transactions”) associated with consumer credit agreements and consumer hire agreements regulated by the Consumer Credit Act 1974 from the operation of sections 19(3), 69(1)(i) and (ii) and 96(1) of the Act. These sections relate respectively to the entry into effect of linked transactions, their cancellation and the discharge of the debtor’s liabilities under them. The exempted linked transactions are:—

- (a) contracts of insurance;
- (b) other contracts in so far as they contain a guarantee of goods;
- (c) transactions comprising or effected under agreements for the operation of deposit and current accounts.



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