

SCHEDULE 3

Regulation 1(2)

PROVISIONS RELATING TO DISCLOSURE OF THE TOTAL CHARGE FOR CREDIT AND THE APR

Use of representative information in calculation of the total charge for credit and the APR

1. Where, in the case of an advertisement relating to credit to be provided under a consumer credit agreement—

- (a) the amount of any charge required to be included in the total charge for credit in respect of any transaction within a particular class of transactions is not ascertainable at the date when the advertisement is published or differs from the amount which applies in relation to another transaction within the same class; or
- (b) any other fact required for such calculation is not ascertainable at that date or is different from a comparable fact in relation to another transaction within the same class,

there shall be included in the total charge for credit an amount in respect of that charge which, having regard to the amounts and facts which apply to other transactions within the same class, is representative of the charges which the advertiser might reasonably expect at the date the advertisement is published would apply in relation to transactions of the class in question, being transactions which he might then reasonably contemplate he would enter into on or after that date.

(2) If this paragraph is applied in relation to the amount of any charge or to any other fact—

- (a) a sum in the determination of which any such amount or fact is employed shall not be taken to be the amount of the total charge for credit; and
- (b) a rate of charge in the determination of which any such amount or fact is employed shall not be expressed to be the APR,

unless the advertisement either—

- (i) identifies any such amount or fact and quantifies so far as practicable any such amount; or
- (ii) contains an indication that representative amounts have been included in calculating the total charge for credit.

(3) For the purposes of this paragraph, a class of transactions means a class determined by reference to the subject-matter of the transactions or to the time at which, the circumstances in which or the persons with whom they are made.

Permissible tolerances in disclosure of the APR

2. For the purposes of these Regulations, it shall be sufficient compliance with the requirement to show the APR if there is included in the advertisement—

- (a) a rate which exceeds the APR by not more than one; or
- (b) a rate which falls short of the APR by not more than 0.1; or
- (c) in a case to which any of paragraphs 3 to 6 below applies, a rate determined in accordance with the paragraph or such of them as apply to that case.

Tolerance where repayments are nearly equal

3. In the case of an agreement under which all repayments but one are equal and that one repayment does not differ from any other repayment by more whole pence than there are repayments of credit, there may be included in an advertisement relating to the agreement a rate found under any of regulations 7, 9 and 10 of the Total Charge for Credit Regulations as if that one repayment were equal to the other repayments to be made under the agreement.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Tolerance where interval between relevant date and first repayment is greater than interval between repayments

4. In the case of an agreement under which—
- (a) three or more repayments are to be made at equal intervals; and
 - (b) the interval between the relevant date and the first repayment is greater than the interval between the repayments,

there may be included in an advertisement relating to the agreement a rate found under any of regulations 7, 9 and 10 of the Total Charge for Credit Regulations as if the interval between the relevant date and the first repayment were shortened so as to be equal to the interval between repayments; and in this paragraph “relevant date” means, in a case where a date is specified in or determinable under the agreement at the date of its making as that on which the debtor is entitled to require provision of anything the subject of the agreement, the earliest such date and, in any other case, the date of the making of the agreement.

Tolerance where Consumer credit tables do not exactly apply

5.—(1) In a case where, in relation to any agreement the charge per pound lent, the flat rate or the period rate of charge, as the case may be, is not exactly represented by an entry in a table contained in the Consumer credit tables, there may be included in an advertisement relating to the agreement a rate found by applying the next greater entry appearing in those tables for the purposes of calculating that rate.

(2) In sub-paragraph (1) above “charge per pound lent”, “flat rate” and “period rate of charge” have the meanings assigned to them by the relevant Introduction or Instructions contained in the Consumer credit tables.

Tolerance where period rate of charge is charged

6. In the case of an agreement to which regulation 7(1) of the Total Charge for Credit Regulations (agreements under which a period rate of charge is charged) applies, there may be included in an advertisement relating to the agreement a rate, being the APR determined as if no account were taken of any amount by which the total amount of the charges included in the total charge for credit in relation to each period is varied so as to bring that amount to the nearest whole penny, one half-penny being for this purpose expressed to the next higher whole penny.