

Status: This version of this provision is prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Consumer Credit (EU Directive) Regulations 2010. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

STATUTORY INSTRUMENTS

2010 No. 1010

The Consumer Credit (EU Directive) Regulations 2010

PROSPECTIVE

PART 2

Amendments to primary legislation

Pre-contractual explanations etc

3. After section 55 (disclosure of information) insert—

“Pre-contractual explanations etc

55A.—(1) Before a regulated consumer credit agreement, other than an excluded agreement, is made, the creditor must—

- (a) provide the debtor with an adequate explanation of the matters referred to in subsection (2) in order to place him in a position enabling him to assess whether the agreement is adapted to his needs and his financial situation,
 - (b) advise the debtor—
 - (i) to consider the information which is required to be disclosed under section 55(1), and
 - (ii) where this information is disclosed in person to the debtor, that the debtor is able to take it away,
 - (c) provide the debtor with an opportunity to ask questions about the agreement, and
 - (d) advise the debtor how to ask the creditor for further information and explanation.
- (2) The matters referred to in subsection (1)(a) are—
- (a) the features of the agreement which may make the credit to be provided under the agreement unsuitable for particular types of use,
 - (b) how much the debtor will have to pay periodically and, where the amount can be determined, in total under the agreement,
 - (c) the features of the agreement which may operate in a manner which would have a significant adverse effect on the debtor in a way which the debtor is unlikely to foresee,
 - (d) the principal consequences for the debtor arising from a failure to make payments under the agreement at the times required by the agreement including legal proceedings and, where this is a possibility, repossession of the debtor's home, and
 - (e) the effect of the exercise of any right to withdraw from the agreement and how and when this right may be exercised.

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(3) The advice and explanation may be given orally or in writing except as provided in subsection (4).

(4) Where the explanation of the matters specified in paragraphs (a), (b) or (e) of subsection (2) is given orally or in person to a debtor, the explanation of the other matters specified in that paragraph, and the advice required to be given by subsection (1)(b), must be given orally to him.

(5) Subsections (1) to (4) do not apply to a creditor if a credit intermediary (see section 160A) has complied with those subsections in respect of the agreement.

(6) For the purposes of this section an agreement is an excluded agreement if it is—

- (a) an agreement under which the creditor provides the debtor with credit which exceeds £60, 260, or
- (b) an agreement secured on land.

(7) Where the regulated consumer credit agreement is an agreement under which a person takes an article in pawn—

- (a) the obligation in subsection (1)(a) only relates to the matters listed in paragraphs (d) and (e) of subsection (2), and
- (b) the obligations in subsection (1)(b) and (d) do not apply.”.

Commencement Information

II Reg. 3 in force at 1.2.2011, see [reg. 99\(1\)](#)

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Changes and effects yet to be applied to :

- Regulations power to modify conferred by [2023 c. 29 s. 3 Sch. 1 Pt. 2](#)
- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)
- reg. 3 coming into force by [S.I. 2010/1010 reg. 99\(1\)](#)

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

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

- reg. 3(4) words substituted by [S.I. 2010/1969 reg. 6](#)
- reg. 25(8) inserted by [S.I. 2010/1969 reg. 11](#)
- reg. 54(za)(zb) inserted by [S.I. 2010/1969 reg. 14](#)
- reg. 55A inserted by [S.I. 2010/1969 reg. 16](#)
- reg. 56(za)(zb) inserted by [S.I. 2010/1969 reg. 17](#)
- reg. 67A inserted by [S.I. 2010/1969 reg. 21](#)
- reg. 76(1A) substituted by [S.I. 2010/1969 reg. 25](#)
- reg. 88A inserted by [S.I. 2011/11 reg. 6](#)
- reg. 91A inserted by [S.I. 2010/1969 reg. 27](#)
- reg. 100(2)(za) inserted by [S.I. 2010/1969 reg. 29\(b\)](#)
- reg. 100(3)(za) inserted by [S.I. 2010/1969 reg. 29\(c\)](#)
- reg. 101A inserted by [S.I. 2010/1969 reg. 30](#)