
STATUTORY INSTRUMENTS

2012 No. 2798

The Consumer Credit (Green Deal) Regulations 2012

Citation, commencement and extent

1. These Regulations—

- (a) may be cited as the Consumer Credit (Green Deal) Regulations 2012;
- (b) come into force on 28th January 2013; and
- (c) extend to England and Wales and Scotland only.

Interpretation

2. In these Regulations—

“the 1974 Act” means the Consumer Credit Act 1974;

“actual plan interest” means the total amount of interest that falls due for payment under the green deal plan between the settlement date and the full discharge date if early settlement takes place;

“administration amount” means the amount by which the creditor expects its administration costs will be reduced in consequence of early settlement taking place;

“compensatory amount” means the amount that a creditor is entitled to claim under section 95B(2) of the 1974 Act, calculated in accordance with regulation 4;

“early settlement” means, as appropriate, full early settlement or partial early settlement;

“expected plan interest” means the total amount of interest that falls due for payment by the debtor under the green deal plan between the settlement date and the full discharge date if early settlement does not take place;

“full discharge date” means the date fixed by the green deal plan for the discharge in full of the indebtedness of the debtor;

“full early settlement” means the discharge in full, pursuant to section 94(1)(1) of the 1974 Act, of the debtor’s indebtedness under a green deal plan;

“green deal plan” has the meaning given in section 1 of the Energy Act 2011(2);

“notice date” means the date on which the creditor receives notice from the debtor under, as appropriate, section 94(1) or section 94(4)(a)(3) of the 1974 Act, in connection with early settlement;

“partial early settlement” means the discharge in part, pursuant to section 94(3)(4) of the 1974 Act, of the debtor’s indebtedness under a green deal plan;

(1) Section 94(1) was amended by [S.I. 2010/1010](#), regulation 30(a). Section 94(1) has also been amended by the Energy Act 2011 ([c.16](#)), section 29(3)(a) but section 29(3)(a) is only in force for the purposes of interpreting any provision in Chapter 1 of Part 1 of the Energy Act 2011 and for the purposes of exercising a power under that Chapter to make regulations or an order. The date on which section 29(3)(a) is to come into force for remaining purposes is to be appointed.

(2) [2011 c.16](#).

(3) Section 94(4)(a) was inserted by [S.I. 2010/1010](#), regulation 30(b).

(4) Section 94(3) was inserted by [S.I. 2010/1010](#), regulation 30(b).

“replacement interest” means, further to the third paragraph of Article 16(4)(b) of Directive [2008/48/EC](#) of the European Parliament and of the Council on credit agreements for consumers⁽⁵⁾, the total amount of interest that the creditor could obtain by lending the settlement amount on the market on the notice date;

“settlement amount” means, in respect of—

- (a) full early settlement, the amount payable by the debtor to the creditor under section 94(1) of the 1974 Act, excluding any amount which the creditor claims under section 95A(2) or 95B(2) of the 1974 Act; or
- (b) partial early settlement, the amount paid or to be paid by the debtor to the creditor pursuant to the notice provided by the debtor under section 94(4)(a) of the 1974 Act; and

“settlement date” means—

- (a) the date falling 28 days after the notice date; or
- (b) any later date specified by the debtor in the notice under, as appropriate, section 94(1) or section 94(4)(a) of the 1974 Act as the date of early settlement,

if the debtor pays the amount payable not later than that date.

Specified duration of green deal plan under section 95B(1)(b) of the 1974 Act

3. For the purposes of section 95B(1)(b) of the 1974 Act, the specified duration of a green deal plan is a plan of more than 15 years.

Compensatory amount: method of calculation

4.—(1) Subject to paragraph (3), for the purposes of section 95B(3)(c) of the 1974 Act, the compensatory amount is the amount given by the following formula—

$$A - B - C - D$$

(2) The following apply for the purposes of the formula in paragraph (1)—

- “A” means the expected plan interest;
- “B” means the replacement interest;
- “C” means the administration amount; and
- “D” means—

- (a) where full early settlement takes place or is to take place, zero; or
- (b) where partial early settlement takes place or is to take place, the actual plan interest.

(3) If the amount given by the formula in paragraph (1) is zero or less, for the purposes of section 95B(3)(c) of the 1974 Act, the compensatory amount is zero.

Amendment of consumer credit regulations

5. The Schedule to these Regulations has effect.

(5) OJ No L 133, 22.5.08, p66.

7th November 2012

Edward Davey
Secretary of State
Department of Energy and Climate Change