

## SCHEDULE 1

Regulation 1(2)

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

#### **Assumptions about running-account credit**

**1.** In the case of an advertisement relating to running-account credit, the following assumptions shall have effect for the purpose of calculating the total charge for credit and any APR, notwithstanding the terms of the transaction advertised and in place of any assumptions in Part 4 of the Total Charge for Credit Regulations that might otherwise apply—

- (a) the amount of the credit to be provided shall be taken to be £1,500, or, in a case where credit is to be provided subject to a credit limit of less than £1,500, an amount equal to that limit;
- (b) it shall be assumed that the credit is provided for a period of one year beginning with the relevant date;
- (c) it shall be assumed that the credit is provided in full on the relevant date;
- (d) where the rate of interest will change at a time provided in the transaction within a period of three years beginning with the relevant date, the rate shall be taken to be the highest rate at any time obtaining under the transaction in that period;
- (e) where the agreement provides credit to finance the purchase of goods, services, land or other things and also provides one or more of—
  - (i) cash loans
  - (ii) credit to refinance existing indebtedness of the debtor's, whether to the creditor or another person; and
  - (iii) credit for any other purpose,and either or both different rates of interest and different charges are payable in relation to the credit provided for all or some of these purposes, it shall be assumed that the rate of interest and charges payable in relation to the whole of the credit are those applicable to the provision of credit for the purchase of goods, services land or other things;
- (f) it shall be assumed that the credit is repaid—
  - (i) in twelve equal instalments, and
  - (ii) at monthly intervals, beginning one month after the relevant date.

#### **Permissible tolerances in disclosure of an APR**

**2.** For the purposes of these Regulations, it shall be sufficient compliance with the requirement to show an 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 in a case to which paragraph 3 or 4 of this Schedule applies, a rate determined in accordance with those paragraphs or whichever of them applies 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

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regulation 7 of the Total Charge for Credit Regulations as if that one repayment were equal to the other repayments to be made under the agreement.

**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 the advertisement relating to the agreement a rate found under regulation 7 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.

SCHEDULE 2

Regulations 4(1), 7(6), 8(1) and (6)

INFORMATION TO BE CONTAINED IN A CREDIT ADVERTISEMENT

**Amount of credit**

1. The amount of credit which may be provided under a consumer credit agreement or an indication of one or both of the maximum amount and the minimum amount of credit which may be provided.

**Deposit of money in an account**

2. A statement of any requirement to place on deposit any sum of money in any account with any person.

**Cash price**

3. In the case of an advertisement relating to credit to be provided under a debtor-creditor-supplier agreement, where the advertisement specifies goods, services, land or other things having a particular cash price, the acquisition of which from an identified dealer may be financed by the credit, the cash price of such goods, services, land or other things.

**Advance payment**

4. A statement as to whether an advance payment is required and if so the amount or minimum amount of the payment expressed as a sum of money or a percentage.

**Frequency, number and amount of repayments of credit**

5.—(1) In the case of an advertisement relating to running-account credit, a statement of the frequency of the repayments of credit under the advertised transaction and of the amount of each repayment stating whether it is a fixed or minimum amount, or a statement indicating the manner in which the amount will be determined.

(2) In the case of other credit advertisements, a statement of the frequency, number and amounts of repayments of credit.

(3) The amount of any repayment under this paragraph may be expressed as a sum of money or as a specified proportion of a specified amount (including the amount outstanding from time to time).

#### **Other payments and charges**

6.—(1) Subject to sub-paragraphs (2) and (3) below, a statement indicating the description and amount of any other payments and charges which may be payable under the transaction advertised.

(2) Where the liability of the debtor to make any payment cannot be ascertained at the date the advertisement is published, a statement indicating the description of the payment in question and the circumstances in which the liability to make it will arise.

(3) Sub-paragraphs (1) and (2) above do not apply to any charge payable under the transaction to the creditor or any other person on his behalf upon failure by the debtor or a relative of his to do or refrain from doing anything which he is required to do or refrain from doing, as the case may be.

#### **Total amount payable by the debtor**

7.—(1) Subject to sub-paragraph (2) below, in the case of an advertisement relating to fixed-sum credit to be provided under a consumer credit agreement which is repayable at specified intervals or in specified amounts and other than cases under which the sum of the payments within sub-paragraphs (a) to (c) below is not greater than the cash price referred to in paragraph 3, the total amount payable by the debtor, being the total of—

- (a) advance payments;
- (b) the amount of credit repayable by the debtor, and
- (c) the amount of the total charge for credit.

(2) Sub-paragraph (1) above does not apply in the case of an advertisement relating to a consumer credit agreement where the advertisement does not specify goods, services, land or other things having a particular cash price, the acquisition of which may be financed by credit.

### SCHEDULE 3

Regulations 4(1) and 7(7)

#### INFORMATION TO BE CONTAINED IN A HIRE ADVERTISEMENT

##### **Deposit of money in an account**

1. A statement of any requirement to place on deposit any sum of money in any account with any person.

##### **Advance payment**

2. A statement as to whether an advance payment is required and if so the amount or minimum amount of the payment, expressed as a sum of money or as a percentage.

##### **Duration of hire**

3. In a case where goods are to be bailed under an agreement for a fixed period or a maximum or minimum period, a statement indicating that this is the case and the duration of that period.

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**Frequency and amount of hire payments**

4. The frequency and amount of each hire payment stating, if it be the case, that it is a minimum amount and, in the case where the amount of any hire payment will or may be varied, a statement indicating that the amount will or may be varied and the circumstances in which that would occur.

**Other payments and charges**

5.—(1) Subject to sub-paragraphs (2) and (3) below, a statement indicating the description and amount of any other payments or charges which may be payable under the transaction advertised.

(2) Where the liability of the debtor to make any payment cannot be ascertained at the date the advertisement is published, a statement indicating the description of the payment in question and the circumstances in which liability to make it will arise.

(3) Sub-paragraphs (1) and (2) above do not apply to any charge payable under the transaction to the creditor or any other person on his behalf upon failure by the debtor or a relative of his to do or refrain from doing anything which he is required to do or refrain from doing, as the case may be.

**Variable payments and charges**

6. Where any payment or charge referred to in paragraph 4 or 5 may be varied under the hire agreement, except to take account only of a change in value added tax (including a change to or from no tax being charged), a statement indicating that this is the case.