



Consumer Credit Act 1974

1974 CHAPTER 39

PART X

ANCILLARY CREDIT BUSINESSES

Definitions

145 Types of ancillary credit business

- (1) An ancillary credit business is any business so far as it comprises or relates to—
 - (a) credit brokerage,
 - (b) debt-adjusting,
 - (c) debt-counselling,
 - (d) debt-collecting, or
 - (e) the operation of a credit reference agency.
- (2) Subject to section 146(5), credit brokerage is the effecting of introductions—
 - (a) of individuals desiring to obtain credit—
 - (i) to persons carrying on businesses to which this sub-paragraph applies, or
 - (ii) in the case of an individual desiring to obtain credit to finance the acquisition or provision of a dwelling occupied or to be occupied by himself or his relative, to any person carrying on a business in the course of which he provides credit secured on land, or
 - (b) of individuals desiring to obtain goods on hire to persons carrying on businesses to which this paragraph applies, or
 - (c) of individuals desiring to obtain credit, or to obtain goods on hire, to other credit-brokers.
- (3) Subsection (2)(a)(i) applies to—
 - (a) a consumer credit business ;

Status: This is the original version (as it was originally enacted).

- (b) a business which comprises or relates to consumer credit agreements being, otherwise than by virtue of section 16(5)(a), exempt agreements;
 - (c) a business which comprises or relates to unregulated agreements where—
 - (i) the proper law of the agreement is the law of a country outside the United Kingdom, and
 - (ii) if the proper law of the agreement were the law of a part of the United Kingdom it would be a regulated consumer credit agreement.
- (4) Subsection (2)(b) applies to—
- (a) a consumer hire business ;
 - (b) a business which comprises or relates to unregulated agreements where—
 - (i) the proper law of the agreement is the law of a country outside the United Kingdom, and
 - (ii) if the proper law of the agreement were the law of a part of the United Kingdom it would be a regulated consumer hire agreement.
- (5) Subject to section 146(6), debt-adjusting is, in relation to debts due under consumer credit agreements or consumer hire agreements.—
- (a) negotiating with the creditor or owner, on behalf of the debtor or hirer, terms for the discharge of a debt, or
 - (b) taking over, in return for payments by the debtor or hirer, his obligation to discharge a debt, or
 - (c) any similiar activity concerned with the liquidation of a debt.
- (6) Subject to section 146(6), debt-counselling is the giving of advice to debtors or hirers about the liquidation of debts due under consumer credit agreements or consumer hire agreements.
- (7) Subject to section 146(6), debt-collecting is the taking of steps to procure payment of debts due under consumer credit agreements or consumer hire agreements.
- (8) A credit reference agency is a person carrying on a business comprising the furnishing of persons with information relevant to the financial standing of individuals, being information collected by the agency for that purpose.

146 Exceptions from section 145

- (1) A barrister or advocate acting in that capacity is not to be treated as doing so in the course of any ancillary credit business.
- (2) A solicitor engaging in contentious business (as defined in section 86(1) of the Solicitors Act 1957) is not to be treated as doing so in the course of any ancillary credit business.
- (3) A solicitor within the meaning of the Solicitors (Scotland) Act 1933 engaging in business done in or for the purposes of proceedings before a court or before an arbiter is not to be treated as doing so in the course of any ancillary credit business.
- (4) A solicitor in Northern Ireland engaging in business done, whether as solicitor or advocate, in or for the purposes of proceedings begun before a court (including the Lands Tribunal for Northern Ireland) or before an arbitrator appointed under the Arbitration Act (Northern Ireland) 1937, not being business contained in section 2 of

the Probates and Letters of Administration Act (Ireland) 1857, is not to be treated as doing so in the course of any ancillary credit business.

- (5) For the purposes of section 145(2), introductions effected by an individual by canvassing off trade premises either debtor-creditor-supplier agreements falling within section 12(a) or regulated consumer hire agreements shall be disregarded if—
- (a) the introductions are not effected by him in the capacity of an employee, and
 - (b) he does not by any other method effect introductions falling within section 145(2).
- (6) It is not debt-adjusting, debt-counselling or debt-collecting for a person to do anything in relation to a debt arising under an agreement if—
- (a) he is the creditor or owner under the agreement, otherwise than by virtue of an assignment, or
 - (b) he is the creditor or owner under the agreement by virtue of an assignment made in connection with the transfer to the assignee of any business other than a debt-collecting business, or
 - (c) he is the supplier in relation to the agreement, or
 - (d) he is a credit-broker who has acquired the business of the person who was the supplier in relation to the agreement, or
 - (e) he is a person prevented by subsection (5) from being treated as a credit-broker, and the agreement was made in consequence of an introduction (whether made by him or another person) which, under subsection (5), is to be disregarded.