



Consumer Credit Act 1974

1974 CHAPTER 39

PART VI

MATTERS ARISING DURING CURRENCY OF CREDIT OR HIRE AGREEMENTS

[^{F1}Sums in arrears and default sums

^{F1} ^{F2}86C **Notice of sums in arrears under running-account credit agreements**

- (1) This section applies where at any time the following conditions are satisfied—
 - (a) that the debtor under an applicable agreement is required to have made at least two payments under the agreement before that time;
 - (b) that the last two payments which he is required to have made before that time have not been made;
 - (c) that the creditor has not already been required to give a notice under this section in relation to either of those payments; and
 - (d) if a judgment has been given in relation to the agreement before that time, that there is no sum still to be paid under the judgment by the debtor.
- (2) The creditor shall, no later than the end of the period within which he is next required to give a statement under section 78(4) in relation to the agreement, give the debtor a notice under this section.
- (3) The notice shall include a copy of the current arrears information sheet under section 86A.
- (4) The notice may be incorporated in a statement or other notice which the creditor gives the debtor in relation to the agreement by virtue of another provision of this Act.
- (5) The debtor shall have no liability to pay any sum in connection with the preparation or the giving to him of the notice.
- (6) Regulations may make provision about the form and content of notices under this section.

Changes to legislation: Consumer Credit Act 1974, Section 86C is up to date with all changes known to be in force on or before 11 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (7) In this section ‘applicable agreement’ means an agreement which—
- (a) is a regulated agreement for running-account credit; and
 - (b) is neither a non-commercial agreement nor a small agreement.

[In this section “payments” means payments to be made at predetermined intervals
^{F3}(8) provided for under the terms of the agreement.]]

Textual Amendments

- F1** S. 86B and preceding cross-heading inserted (16.6.2006 for certain purposes and otherwise 1.10.2008) by [Consumer Credit Act 2006 \(c. 14\)](#), ss. {9}, 71(2) (with Sch. 3 para. 6); [S.I. 2006/1508, art. 3\(1\)](#), Sch. 1; [S.I. 2007/3300, art. 3\(3\)](#), Sch. 3
- F2** S. 86C inserted (16.6.2006 for certain purposes and otherwise 1.10.2008) by [Consumer Credit Act 2006 \(c. 14\)](#), ss. {10}, 71(2) (with Sch. 3 para. 7); [S.I. 2006/1508, art. 3\(1\)](#), Sch. 1; [S.I. 2007/3300, art. 3\(3\)](#), Sch. 3
- F3** S. 86C(8) inserted (31.10.2008) by [The Legislative Reform \(Consumer Credit\) Order 2008 \(S.I. 2008/2826\)](#), [art. 9](#)

Changes to legislation:

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

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

- s. 25(2A)(b)(ia) inserted by [2010 c. 28 Sch. 2 para. 36](#)