



# Consumer Credit Act 1974

## 1974 CHAPTER 39

### PART VI

#### MATTERS ARISING DURING CURRENCY OF CREDIT OR HIRE AGREEMENTS

##### *[<sup>F1</sup>Sums in arrears and default sums*

##### <sup>F1</sup> <sup>F2</sup>86E **Notice of default sums**

- (1) This section applies where a default sum becomes payable under a regulated agreement by the debtor or hirer.
- (2) The creditor or owner shall, within the prescribed period after the default sum becomes payable, give the debtor or hirer a notice under this section.
- (3) The notice under this section may be incorporated in a statement or other notice which the creditor or owner gives the debtor or hirer in relation to the agreement by virtue of another provision of this Act.
- (4) The debtor or hirer shall have no liability to pay interest in connection with the default sum to the extent that the interest is calculated by reference to a period occurring before the 29th day after the day on which the debtor or hirer is given the notice under this section.
- (5) If the creditor or owner fails to give the debtor or hirer the notice under this section within the period mentioned in subsection (2), he shall not be entitled to enforce the agreement until the notice is given to the debtor or hirer.
- (6) The debtor or hirer shall have no liability to pay any sum in connection with the preparation or the giving to him of the notice under this section.
- (7) Regulations may—
  - (a) provide that this section does not apply in relation to a default sum which is less than a prescribed amount;
  - (b) make provision about the form and content of notices under this section.

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**Changes to legislation:** Consumer Credit Act 1974, Section 86E is up to date with all changes known to be in force on or before 14 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

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(8) This section does not apply in relation to a non-commercial agreement or to a small agreement.]]

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**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. 86E inserted (16.6.2006 for certain purposes and otherwise 1.10.2008) by [Consumer Credit Act 2006 \(c. 14\)](#), ss. {12}, 71(2) (with Sch. 3 para. 8); [S.I. 2006/1508, art. 3\(1\)](#), Sch. 1; [S.I. 2007/3300, art. 3\(3\)](#), Sch. 3

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**Modifications etc. (not altering text)**

- C1** S. 86E excluded (E.W.S.) (15.7.2014) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Green Deal\) \(Amendment\) Order 2014 \(S.I. 2014/1850\)](#), arts. 1(2), **12(7)** (with art. 1(3))

**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](#)