



# Consumer Credit Act 1974

## 1974 CHAPTER 39

### PART VII

#### DEFAULT AND TERMINATION

##### *Default notices*

#### **88 Contents and effect of default notice**

- (1) The default notice must be in the prescribed form and specify—
  - (a) the nature of the alleged breach ;
  - (b) if the breach is capable of remedy, what action is required to remedy it and the date before which that action is to be taken ;
  - (c) if the breach is not capable of remedy, the sum (if any) required to be paid as compensation for the breach, and the date before which it is to be paid.
- (2) A date specified under subsection (1) must not be less than seven days after the date of service of the default notice, and the creditor or owner shall not take action such as is mentioned in section 87(1) before the date so specified or (if no requirement is made under subsection (1)) before those seven days have elapsed.
- (3) The default notice must not treat as a breach failure to comply with a provision of the agreement which becomes operative only on breach of some other provision, but if the breach of that other provision is not duly remedied or compensation demanded under subsection (1) is not duly paid, or (where no requirement is made under subsection (1)) if the seven days mentioned in subsection (2) have elapsed, the creditor or owner may treat the failure as a breach and section 87(1) shall not apply to it.
- (4) The default notice must contain information in the prescribed terms about the consequences of failure to comply with it.
- (5) A default notice making a requirement under subsection (1) may include a provision for the taking of action such as is mentioned in section 87(1) at any time after the restriction imposed by subsection (2) will cease, together with a statement that the

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*Status: This is the original version (as it was originally enacted).*

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provision will be ineffective if the breach is duly remedied or the compensation duly paid.