Consumer Credit Act 2006

2006 CHAPTER 14

Statements to be provided in relation to regulated credit agreements

6 Statements to be provided in relation to fixed-sum credit agreements

After section 77 of the 1974 Act insert—

“77A “Statements to be provided in relation to fixed-sum credit agreements

(1) The creditor under a regulated agreement for fixed-sum credit—
   (a) shall, within the period of one year beginning with the day after the day on which the agreement is made, give the debtor a statement under this section; and
   (b) after the giving of that statement, shall give the debtor further statements under this section at intervals of not more than one year.

(2) Regulations may make provision about the form and content of statements under this section.

(3) The debtor shall have no liability to pay any sum in connection with the preparation or the giving to him of a statement under this section.

(4) The creditor is not required to give the debtor any statement under this section once the following conditions are satisfied—
   (a) that there is no sum payable under the agreement by the debtor; and
   (b) that there is no sum which will or may become so payable.

(5) Subsection (6) applies if at a time before the conditions mentioned in subsection (4) are satisfied the creditor fails to give the debtor—
   (a) a statement under this section within the period mentioned in subsection (1)(a); or
   (b) such a statement within the period of one year beginning with the day after the day on which such a statement was last given to him.
(6) Where this subsection applies in relation to a failure to give a statement under this section to the debtor—
   (a) the creditor shall not be entitled to enforce the agreement during the period of non-compliance;
   (b) the debtor shall have no liability to pay any sum of interest to the extent calculated by reference to the period of non-compliance or to any part of it; and
   (c) the debtor shall have no liability to pay any default sum which (apart from this paragraph)—
      (i) would have become payable during the period of non-compliance; or
      (ii) would have become payable after the end of that period in connection with a breach of the agreement which occurs during that period (whether or not the breach continues after the end of that period).

(7) In this section ‘the period of non-compliance’ means, in relation to a failure to give a statement under this section to the debtor, the period which—
   (a) begins immediately after the end of the period mentioned in paragraph (a) or (as the case may be) paragraph (b) of subsection (5); and
   (b) ends at the end of the day on which the statement is given to the debtor or on which the conditions mentioned in subsection (4) are satisfied, whichever is earlier.

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

Commencement Information
I1 S. 6 in force at 16.6.2006 for specified purposes by S.I. 2006/1508, art. 3(1), Sch. 1
I2 S. 6 in force at 1.10.2008 in so far as not already in force by S.I. 2007/3300, art. 3(3), Sch. 3

7 Further provision relating to statements

(1) In section 78 of the 1974 Act (duty to give information to debtor under running-account credit agreement) after subsection (4) insert—

“(4A) Regulations may require a statement under subsection (4) to contain also information in the prescribed terms about the consequences of the debtor—
   (a) failing to make payments as required by the agreement; or
   (b) only making payments of a prescribed description in prescribed circumstances.”

(2) In subsection (7) of that section for “(4) and (5)” substitute “ (4) to (5) ”.

(3) In section 185 of that Act (agreement with more than one debtor or hirer) for subsection (2) substitute—

“(2) Notwithstanding subsection (1)(a), where credit is provided under an agreement to two or more debtors jointly, in performing his duties—
(a) in the case of fixed-sum credit, under section 77A, or
(b) in the case of running-account credit, under section 78(4),
the creditor need not give statements to any debtor who has signed and given
him a notice (a ‘dispensing notice’) authorising him not to comply in the
debtor's case with section 77A or (as the case may be) 78(4).

(2A) A dispensing notice given by a debtor is operative from when it is given to
the creditor until it is revoked by a further notice given to the creditor by the
debtor.

(2B) But subsection (2) does not apply if (apart from this subsection) dispensing
notices would be operative in relation to all of the debtors to whom the credit
is provided.

(2C) Any dispensing notices operative in relation to an agreement shall cease to
have effect if any of the debtors dies.

(2D) A dispensing notice which is operative in relation to an agreement shall be
operative also in relation to any subsequent agreement which, in relation to
the earlier agreement, is a modifying agreement.”

**Commencement Information**

13 S. 7(1)(2) in force at 16.6.2006 by S.I. 2006/1508, art. 3(1), Sch. 1
14 S. 7(3) in force at 1.10.2008 by S.I. 2007/3300, art. 3(3), Sch. 3
Changes to legislation:
There are currently no known outstanding effects for the Consumer Credit Act 2006, Cross Heading: Statements to be provided in relation to regulated credit agreements.