



Consumer Credit Act 2006

2006 CHAPTER 14

Default under regulated agreements

11 Failure to give notice of sums in arrears

After section 86C of the 1974 Act (inserted by section 10 of this Act) insert—

“86D Failure to give notice of sums in arrears

- (1) This section applies where the creditor or owner under an agreement is under a duty to give the debtor or hirer notices under section 86B but fails to give him such a notice—
 - (a) within the period mentioned in subsection (2)(a) of that section; or
 - (b) within the period of six months beginning with the day after the day on which such a notice was last given to him.
- (2) This section also applies where the creditor under an agreement is under a duty to give the debtor a notice under section 86C but fails to do so before the end of the period mentioned in subsection (2) of that section.
- (3) The creditor or owner shall not be entitled to enforce the agreement during the period of non-compliance.
- (4) The debtor or hirer shall have no liability to pay—
 - (a) any sum of interest to the extent calculated by reference to the period of non-compliance or to any part of it; or
 - (b) 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).

Changes to legislation: There are currently no known outstanding effects for the Consumer Credit Act 2006, Section 11. (See end of Document for details)

- (5) In this section ‘the period of non-compliance’ means, in relation to a failure to give a notice under section 86B or 86C to the debtor or hirer, the period which—
- (a) begins immediately after the end of the period mentioned in (as the case may be) subsection (1)(a) or (b) or (2); and
 - (b) ends at the end of the day mentioned in subsection (6).
- (6) That day is—
- (a) in the case of a failure to give a notice under section 86B as mentioned in subsection (1)(a) of this section, the day on which the notice is given to the debtor or hirer;
 - (b) in the case of a failure to give a notice under that section as mentioned in subsection (1)(b) of this section, the earlier of the following—
 - (i) the day on which the notice is given to the debtor or hirer;
 - (ii) the day on which the condition mentioned in subsection (4)(a) of that section is satisfied;
 - (c) in the case of a failure to give a notice under section 86C, the day on which the notice is given to the debtor.”

Commencement Information

II S. 11 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, Section 11.