
STATUTORY INSTRUMENTS

1991 No. 1184 (L. 12)

COUNTY COURTS

The County Courts (Interest on Judgment Debts) Order 1991

<i>Made</i>	- - - -	<i>20th May 1991</i>
<i>Laid before Parliament</i>		<i>10th June 1991</i>
<i>Coming into force</i>	- -	<i>1st July 1991</i>

The Lord Chancellor, in exercise of the powers conferred on him by section 74 of the County Courts Act 1984(1) and with the concurrence of the Treasury, hereby makes the following Order:

Citation, commencement, interpretation and savings

1.—(1) This Order may be cited as the County Courts (Interest on Judgment Debts) Order 1991 and shall come into force on 1st July 1991.

(2) In this Order, unless the context otherwise requires,—

“administration order” means an order under section 112 of the 1984 Act;

“given”, in relation to a relevant judgment, means “given or made”;

“judgment creditor” means the person who has obtained or is entitled to enforce the relevant judgment and “debtor” means the person against whom it was given;

“judgment debt” means a debt under a relevant judgment;

“relevant judgment” means a judgment or order of a county court for the payment of a sum of money of not less than £5,000 and, in relation to a judgment debt, means the judgment or order which gives rise to the judgment debt;

“the 1984 Act” means the County Courts Act 1984.

(3) Where in accordance with the provisions of this Order interest ceases to accrue on a specified day, interest shall cease to accrue at the end of that day.

(4) Nothing in this Order shall apply where the relevant judgment is given before 1st July 1991.

The general rule

2.—(1) Subject to the following provisions of this Order, every judgment debt under a relevant judgment shall, to the extent that it remains unsatisfied, carry interest under this Order from the date on which the relevant judgment was given.

(2) In the case of a judgment or order for the payment of a judgment debt, other than costs, the amount of which has to be determined at a later date, the judgment debt shall carry interest from that later date.

(3) Interest shall not be payable under this Order where the relevant judgment—

(a) is given in proceedings to recover money due under an agreement regulated by the Consumer Credit Act 1974(2);

(b) grants—

(i) the landlord of a dwelling house, or

(ii) the mortgagee under a mortgage of land which consists of or includes a dwelling house,

a suspended order for possession.

(4) Where the relevant judgment makes financial provision for the spouse or a child, interest shall only be payable on an order for the payment of not less than £ 5,000 as a lump sum (whether or not the sum is payable by instalments).

For the purposes of this paragraph, no regard shall be had to any interest payable under section 23(6) of the Matrimonial Causes Act 1973(3).

Interest where payment deferred

3. Where under the terms of the relevant judgment payment of a judgment debt—

(a) is not required to be made until a specified date, or

(b) is to be made by instalments,

interest shall not accrue under this Order—

(i) until that date, or

(ii) on the amount of any instalment, until it falls due,

as the case may be.

Interest and enforcement or other proceedings

4.—(1) Where a judgment creditor takes proceedings in a county court to enforce payment under a relevant judgment, the judgment debt shall cease to carry interest thereafter, except where those proceedings fail to produce any payment from the debtor in which case interest shall accrue as if those proceedings had never been taken.

(2) For the purposes of this article “proceedings to enforce payment under a relevant judgment” include any proceeding for examining or summoning a judgment debtor or attaching a debt owed to him, but do not include proceedings under the Charging Orders Act 1979(4);

(3) Where an administration order or an attachment of earnings order is made, interest shall not accrue during the time the order is in force.

Rate of interest

5. Where a judgment debt carries interest, the rate of interest shall be the rate for the time being specified in section 17 of the Judgments Act 1838(5).

(2) 1974 c. 39.

(3) 1973 c. 18; subsection (6) was added to section 23 by the Administration of Justice Act 1982 (c. 53), section 16.

(4) 1979 c. 53.

(5) 1838 c. 110; power to amend the rate of interest specified in section 17 was conferred by the Administration of Justice Act 1970 (c. 31), section 44 and the relevant amending instrument is S.I.1985/437 which provides for a rate of 15 per cent per annum.

Appropriation of interest

6.—(1) Where the debtor is indebted to the same judgment creditor under two or more judgments or orders, money paid by him shall be applied to satisfy such of the judgments as the debtor may stipulate or, where no such stipulation is made, according to their priority in time.

(2) Money paid by the debtor in respect of any judgment debt shall be appropriated first to discharge or reduce the principal debt and then towards the interest.

13th May 1991

Mackay of Clashfern, C

We concur,

20th May 1991

Sydney Chapman
Gregory Knight
Two of the Lords Commissioners of Her
Majesty's Treasury

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for certain county court judgment debts to carry interest at the same rate as that payable on High Court judgments under section 17 of the Judgments Act 1838 (currently 15 per cent).

In general, only judgments for the payment of a sum of £5,000 or more will carry interest and the Order also provides for some types of judgment to be excluded from the scheme altogether (for example, interest will not accrue on maintenance orders except lump sum orders of £5,000 or more) (article 2)

Where the judgment creditor applies to enforce payment of the judgment by execution or some other means, interest will not accrue as long as the enforcement process is wholly or partly successful (article 4). Provision is also made as to the appropriation of interest (article 6)