

SCHEDULE 1

Regulation 1(2)

PROVISIONS RELATING TO CALCULATION AND DISCLOSURE OF THE TOTAL CHARGE FOR CREDIT AND ANY APR

Assumptions about running-account credit

1. In the case of an advertisement relating to running-account credit, the following assumptions shall have effect for the purpose of calculating the total charge for credit and any APR, notwithstanding the terms of the transaction advertised and in place of any assumptions in Part 4 of the Total Charge for Credit Regulations that might otherwise apply—

- (a) the amount of the credit to be provided shall be taken to be £1,500, or, in a case where credit is to be provided subject to a credit limit of less than £1,500, an amount equal to that limit;
- (b) it shall be assumed that the credit is provided for a period of one year beginning with the relevant date;
- (c) it shall be assumed that the credit is provided in full on the relevant date;
- (d) where the rate of interest will change at a time provided in the transaction within a period of three years beginning with the relevant date, the rate shall be taken to be the highest rate at any time obtaining under the transaction in that period;
- (e) where the agreement provides credit to finance the purchase of goods, services, land or other things and also provides one or more of—
 - (i) cash loans
 - (ii) credit to refinance existing indebtedness of the debtor's, whether to the creditor or another person; and
 - (iii) credit for any other purpose,and either or both different rates of interest and different charges are payable in relation to the credit provided for all or some of these purposes, it shall be assumed that the rate of interest and charges payable in relation to the whole of the credit are those applicable to the provision of credit for the purchase of goods, services land or other things;
- (f) it shall be assumed that the credit is repaid—
 - (i) in twelve equal instalments, and
 - (ii) at monthly intervals, beginning one month after the relevant date.

Permissible tolerances in disclosure of an APR

2. For the purposes of these Regulations, it shall be sufficient compliance with the requirement to show an APR if there is included in the advertisement—

- (a) a rate which exceeds the APR by not more than one, or
- (b) a rate which falls short of the APR by not more than 0.1,

or in a case to which paragraph 3 or 4 of this Schedule applies, a rate determined in accordance with those paragraphs or whichever of them applies to that case.

Tolerance where repayments are nearly equal

3. In the case of an agreement under which all repayments but one are equal and that one repayment does not differ from any other repayment by more whole pence than there are repayments of credit, there may be included in an advertisement relating to the agreement a rate found under

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regulation 7 of the Total Charge for Credit Regulations as if that one repayment were equal to the other repayments to be made under the agreement.

Tolerance where interval between relevant date and first repayment is greater than interval between repayments

4. In the case of an agreement under which—
 - (a) three or more repayments are to be made at equal intervals, and
 - (b) the interval between the relevant date and the first repayment is greater than the interval between the repayments,

there may be included in the advertisement relating to the agreement a rate found under regulation 7 of the Total Charge for Credit Regulations as if the interval between the relevant date and the first repayment were shortened so as to be equal to the interval between repayments.