
STATUTORY INSTRUMENTS

2010 No. 1010

The Consumer Credit (EU Directive) Regulations 2010

PROSPECTIVE

PART 2

Amendments to primary legislation

Open-end agreements

38. After section 98 (duty to give notice of termination), insert—

“Termination etc of open-end consumer credit agreements

98A.—(1) The debtor under a regulated open-end consumer credit agreement, other than an excluded agreement, may by notice terminate the agreement, free of charge, at any time, subject to any period of notice not exceeding one month provided for by the agreement.

(2) Notice under subsection (1) need not be in writing unless the creditor so requires.

(3) Where a regulated open-end consumer credit agreement, other than an excluded agreement, provides for termination of the agreement by the creditor—

(a) the termination must be by notice served on the debtor, and

(b) the termination may not take effect until after the end of the period of two months, or such longer period as the agreement may provide, beginning with the day after the day on which notice is served.

(4) Where a regulated open-end consumer credit agreement, other than an excluded agreement, provides for termination or suspension by the creditor of the debtor’s right to draw on credit—

(a) to terminate or suspend the right to draw on credit the creditor must serve a notice on the debtor before the termination or suspension or, if that is not practicable, immediately afterwards,

(b) the notice must give reasons for the termination or suspension, and

(c) the reasons must be objectively justified.

(5) Subsection (4)(a) and (b) does not apply where giving the notice—

(a) is prohibited by an EU obligation, or

(b) would, or would be likely to, prejudice—

(i) the prevention or detection of crime,

(ii) the apprehension or prosecution of offenders, or

(iii) the administration of justice.

Status: This version of this provision is prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Consumer Credit (EU Directive) Regulations 2010. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (6) An objectively justified reason under subsection (4)(c) may, for example, relate to—
 - (a) the unauthorised or fraudulent use of credit, or
 - (b) a significantly increased risk of the debtor being unable to fulfil his obligation to repay the credit.
- (7) Subsections (1) and (3) do not affect any right to terminate an agreement for breach of contract.
- (8) For the purposes of this section an agreement is an excluded agreement if it is—
 - (a) an authorised non-business overdraft agreement,
 - (b) an authorised business overdraft agreement,
 - (c) a debtor-creditor agreement arising where the holder of a current account overdraws on the account without a pre-arranged overdraft or exceeds a pre-arranged overdraft limit, or
 - (d) an agreement secured on land.”.

Commencement Information

II Reg. 38 in force at 1.2.2011, see [reg. 99\(1\)](#)

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Changes and effects yet to be applied to :

- Regulations power to modify conferred by [2023 c. 29 s. 3 Sch. 1 Pt. 2](#)
- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)
- reg. 38 coming into force by [S.I. 2010/1010 reg. 99\(1\)](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 3(4) words substituted by [S.I. 2010/1969 reg. 6](#)
- reg. 25(8) inserted by [S.I. 2010/1969 reg. 11](#)
- reg. 54(za)(zb) inserted by [S.I. 2010/1969 reg. 14](#)
- reg. 55A inserted by [S.I. 2010/1969 reg. 16](#)
- reg. 56(za)(zb) inserted by [S.I. 2010/1969 reg. 17](#)
- reg. 67A inserted by [S.I. 2010/1969 reg. 21](#)
- reg. 76(1A) substituted by [S.I. 2010/1969 reg. 25](#)
- reg. 88A inserted by [S.I. 2011/11 reg. 6](#)
- reg. 91A inserted by [S.I. 2010/1969 reg. 27](#)
- reg. 100(2)(za) inserted by [S.I. 2010/1969 reg. 29\(b\)](#)
- reg. 100(3)(za) inserted by [S.I. 2010/1969 reg. 29\(c\)](#)
- reg. 101A inserted by [S.I. 2010/1969 reg. 30](#)