STATUTORY INSTRUMENTS

# 1983 No. 1552

# CONSUMER CREDIT

## The Consumer Credit (Agreements to enter Prospective Agreements) (Exemptions) Regulations 1983

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| *Made - - - -* | *24th October* 1983 |
| *Laid before Parliament* | *3rd November* 1983 |
| *Coming into Operation* | *19th May* 1985 |

The Secretary of State, in exercise of the powers conferred on him by sections 59(2) and 189(1) of the Consumer Credit Act 1974(**a**) and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

*Citation, commencement and interpretation*

**1.**—(1) These Regulations may be cited as the Consumer Credit (Agreements to enter Prospective Agreements) (Exemptions) Regulations 1983 and shall come into operation on 19th May 1985.

(2) In these Regulations, "the Act" means the Consumer Credit Act 1974.

*Exempted agreements*

**2.**—(1) The agreements specified in paragraph (2) below shall be excluded from the operation of section 59(1) of the Act (which provides that an agreement is void if, and to the extent that, it purports to bind a person to enter as debtor or hirer into a prospective regulated agreement).

(2) The agreements referred to in paragraph (1) above are agreements in writing to enter into the following prospective regulated agreements—

*(a)* prospective consumer hire agreements for the bailment or (in Scotland) the hiring to the hirer of goods where the goods are required by the hirer for the purposes of a business carried on by him, or the hirer holds himself out as requiring the goods for those purposes; or

*(b)* prospective restricted-use credit agreements for fixed-sum credit to finance the purchase of goods where the goods are required by the debtor for the purposes of a business carried on by him, or the debtor holds himself out as requiring the goods for those purposes;

where the agreement to enter into the prospective regulated agreement embodies at the time it is signed by the debtor or hirer such information relating to the prospective agreement presented clearly and together as a whole

(**a**) 1974 c. 39.

as is required by the Consumer Credit (Quotations) Regulations 1980(a) to be contained in a quotation within the meaning of those Regulations; and either

(i) is not preceded by antecedent negotiations which included oral representations made when in the presence of the debtor or hirer by an individual acting as, or on behalf of, the negotiator; or

(ii) is signed by the debtor or hirer at premises at which any of the following is carrying on any business (whether on a permanent or temporary basis)—

*(aa)* the creditor or owner;

*(bb)* any party to a linked transaction to the prospective agreement (other than the debtor or hirer or a relative of his); or

*(cc)* the negotiator in any antecedent negotiations.

*Alexander Fletcher,*
Parliamentary Under-Secretary of State,
24 October 1983. Department of Trade and Industry.

## EXPLANATORY NOTE

*(This Note is not part of the Regulations.)*

Under section 59(1) of the Consumer Credit Act 1974, agreements to enter into future agreements to be regulated by the Act are void. These Regulations exclude certain agreements to enter into future agreements from the operation of section 59(1).

The excluded agreements are agreements in writing to enter into prospective consumer hire agreements and into prospective restricted-use credit agreements for fixed-sum credit where the goods being hired or purchased are required for business purposes. The prior agreement must embody the information which would be required under the Act for a quotation. It must either be signed at trade premises, other than those of the debtor or hirer, or, where it is signed elsewhere, there must be no antecedent negotiations including oral representations in the presence of the debtor or hirer.

(a) S.I. 1980/55, amended by S.I. 1980/1361, 1983/110.

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