STATUTORY INSTRUMENTS

1977 No. 326

CONSUMER CREDIT

The Consumer Credit (Exempt Agreements) Order 1977

Made - - - -	*28th February* 1977
Laid before Parliament	*8th March* 1977
Coming into Operation	*1st April* 1977

The Secretary of State, after consulting in accordance with subsections (3) and (9) of section 16 of the Consumer Credit Act 1974(a) with the persons therein referred to, in exercise of powers conferred on him by sections 16(1) and (4) to (6) and 182(2) of that Act and of all other powers enabling him in that behalf, hereby makes the following Order:—

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Consumer Credit (Exempt Agreements) Order 1977 and shall come into operation on 1st April 1977.

(2) In this Order—

"the Act" means the Consumer Credit Act 1974;

"business premises" means premises for occupation for the purposes of a business (including any activity carried on by a body of persons, whether corporate or unincorporate) or for those and other purposes;

and, except where the contrary intention appears, other expressions used in this Order have the same respective meanings as in the Act.

(3) The Interpretation Act 1889(b) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

Exemption of certain consumer credit agreements secured on land

2.—(1) The Act shall not regulate a consumer credit agreement which falls within section 16(2) of the Act, being an agreement to which this paragraph applies.

(2) Where the creditor is a body specified in Part I of the Schedule to this Order, paragraph (1) applies only to—

(*a*) a debtor-creditor-supplier agreement falling within section 16(2)(*a*) of the Act;

(*b*) a debtor-creditor agreement secured by any land mortgage financing—

(i) the purchase of land; or

(a) 1974 c.39. (b) 1889 c. 63.

(ii) the provision of dwellings or business premises on any land; or

(iii) the alteration, enlarging, repair or improvement of a dwelling or business premises on any land in a case where the creditor is the creditor under any agreement (whenever made) by which the debtor is provided with credit for any of the purposes specified in (i) and (ii) above, being an agreement relating to the land in question and secured by a land mortgage on that land;

(*c*) a debtor-creditor agreement secured by any land mortgage to refinance any existing indebtedness of the debtor's, whether to the creditor or another person, under any agreement by which the debtor was provided with credit for any of the purposes specified in (i) to (iii) of (*b*) above.

(3) Where the creditor is a body specified in Part II of the Schedule, paragraph (1) applies only to an agreement of a description specified in that Part in relation to that body and made pursuant to an enactment or for a purpose so specified.

Exemption of certain other consumer credit agreements

3.—(1) The Act shall not regulate a consumer credit agreement which is an agreement of one of the following descriptions, that is to say—

(*a*) a debtor-creditor-supplier agreement being either—

(i) any agreement for fixed-sum credit under which the number of payments to be made by the debtor does not exceed four; or

(ii) any agreement for running-account credit which provides for the making of payments by the debtor in relation to specified periods and requires that the number of payments to be made by the debtor in repayment of the whole amount of the credit provided in each such period shall not exceed one;

not being, in either case, an agreement of a description specified in paragraph (2) below; and in this sub-paragraph, "payment" means a payment comprising an amount in respect of credit with or without any other amount;

(*b*) any debtor-creditor-supplier agreement financing the purchase of land, being an agreement under which the number of payments to be made by the debtor does not exceed four; and in this sub-paragraph, "payment" means a payment comprising or including an amount in respect of credit or the total charge for credit (if any);

(*c*) any debtor-creditor agreement (other than an agreement under which the total amount to be repaid by the debtor to discharge his indebtedness in respect of the amount of credit provided may vary according to any formula specified in the agreement having effect by reference to movements in the level of any index or to any other factor) in respect of which the rate of the total charge for credit calculated in accordance with regulations (**a**) made under section 20(1) of the Act does not exceed the higher of the following, that is to say—

(i) the sum of one per cent and the minimum lending rate determined by the Bank of England, being the latest rate in operation on the date 28 days before the date on which the agreement is made; and

(ii) 13 per cent; and

(a) See S.I. 1977/327 (1977 I, p.945).

(*d*) any agreement made in connection with trade in goods or services between the United Kingdom and a country outside the United Kingdom or within a country or between countries outside the United Kingdom, being an agreement under which credit is provided to the debtor in the course of a business carried on by him.

(2) The descriptions of agreement referred to in paragraph (1)(*a*) above and to which accordingly that paragraph does not apply are—

(*a*) agreements financing the purchase of land;

(*b*) agreements which are conditional sale agreements or hire-purchase agreements; and

(*c*) agreements secured by a pledge (other than a pledge of documents of title).

Exemption of certain consumer hire agreements

4. The Act shall not regulate a consumer hire agreement where—

(*a*) the owner is a body corporate authorised by or under any enactment to supply electricity, gas or water and the subject of the agreement is a meter or metering equipment used or to be used in connection with the supply of electricity, gas or water, as the case may be; or

(*b*) the owner is the Post Office or the Kingston upon Hull City Council and the subject of the agreement is telecommunications apparatus comprising or forming part of a system, the running of which is subject to the provisions of sections 24 and 25 of the Post Office Act 1969(**a**) (which relate respectively to the exclusive privilege of the Post Office with respect to telecommunication and to general classes of acts not infringing that privilege), not being a telephone system provided for use solely between points within a single set of premises or solely within a vehicle, vessel, aircraft or hovercraft or solely between two or more vehicles, vessels, aircraft or hovercraft mechanically coupled together.

John Fraser,
Minister of State,
Department of Prices and
Consumer Protection.

28th February 1977.

(**a**) 1969 c.48.

Article 2

SCHEDULE

Bodies whose agreements of the specified description are exempt agreements

PART I

Insurance Companies

Alliance Assurance Company Limited
American International Life Assurance Company of New York
American Life Insurance Company
Atlas Assurance Company Limited
Australian Mutual Provident Society
Avon Insurance Company Limited
The Bedford Life Assurance Society Limited
Bradford Insurance Company Limited
Britannic Assurance Company Limited
The British & European Insurance Company Limited
British Equitable Assurance Company Limited
The British Life Office Limited
The British Oak Insurance Company Limited
British Reserve Insurance Company Limited
Caledonian Insurance Company
The Cambrian Insurance Company Limited
The Canada Life Assurance Company
Cannon Assurance Limited
Car and General Insurance Corporation Limited
Clerical, Medical and General Life Assurance Society
The Colonial Mutual Life Assurance Society Limited
Commercial Union Assurance Company Limited
Commercial Union Assurance of United Kingdom Limited
Commercial Union Life Assurance Company Limited
The Contingency Insurance Company Limited
Co-operative Insurance Society Limited
Cornhill Insurance Company Limited
Crown Life Insurance Company
Crusader Insurance Company Limited
The Dominion Insurance Company Limited
Eagle Star Insurance Company Limited
Ecclesiastical Insurance Office Limited
Economic Insurance Company Limited
English & American Insurance Company Limited
The English Insurance Company Limited
The Equitable Life Assurance Society
Equity & Law Life Assurance Society Limited
Essex and Suffolk Insurance Company Limited
Excess Insurance Company Limited
The Fine Art and General Insurance Company Limited
Friends' Provident Life Office
General Accident Fire and Life Assurance Corporation Limited
Gresham Life Assurance Society Limited
Guardian Assurance Company Limited

Guardian Royal Exchange Assurance Limited
Hambro Life Assurance Limited
Hill Samuel Life Assurance Limited
Hodge General and Mercantile Insurance Company Limited
Hodge Life Assurance Company Limited
The Ideal Insurance Company Limited
The Imperial Life Assurance Company of Canada Limited
Irish Life Assurance Company Limited
The Iron Trades Employers Insurance Association Limited
Legal and General Assurance Society Limited
The Licenses and General Insurance Company Limited
The Life Association of Scotland Limited
London Aberdeen & Northern Mutual Assurance Society Limited
London and Manchester Assurance Company Limited
The London Assurance
The London Life Association Limited
London & Scottish Assurance Corporation Limited
The Manufacturers Life Insurance Company
Marine and General Mutual Life Assurance Society
Maritime Insurance Company Limited
Medical Sickness Annuity & Life Assurance Society Limited
The Mercantile and General Reinsurance Company Limited
Midland Assurance Limited
Minster Insurance Company Limited
The Motor Union Insurance Company Limited
Nalgo Insurance Association Limited
National Employers Life Assurance Company Limited
National Employers' Mutual General Insurance Association Limited
The National Farmers Union Mutual Insurance Society Limited
The National Insurance and Guarantee Corporation Limited
The National Mutual Life Association of Australasia Limited
National Mutual Life Assurance Society
National Provident Institution
National Vulcan Engineering Insurance Group Limited
N.E.L. Pensions Limited
The New Zealand Insurance Company (UK) Limited
North British & Mercantile Insurance Company Limited
The Northern Assurance Company Limited
Norwich Union Fire Insurance Society Limited
Norwich Union Insurance Group (Managed Funds) Limited
Norwich Union Insurance Group (Pensions Management) Limited
Norwich Union Life Insurance Society
The Ocean Accident & Guarantee Corporation Limited
The Orion Insurance Company Limited
The Parcels & General Assurance Association Limited
Pearl Assurance Company Limited
Pensions Management (SWF) Limited
Permanent Insurance Company Limited
Phoenix Assurance Company Limited
Pioneer Mutual Insurance Company Limited
Provident Life Association of London Limited
Provident Mutual Life Assurance Association
Provincial Insurance Company Limited
Provincial Life Assurance Company Limited
The Prudential Assurance Company Limited

Railway Passengers Assurance Company
Refuge Assurance Company, Limited
The Reliance Fire & Accident Insurance Corporation Limited
The Reliance Marine Insurance Company Limited
Reliance Mutual Insurance Society Limited
Royal Exchange Assurance
Royal Insurance Company Limited
The Royal London Mutual Insurance Society Limited
The Royal National Pension Fund for Nurses
Scottish Amicable Life Assurance Society
Scottish Equitable Life Assurance Society
Scottish General Insurance Company Limited
Scottish Insurance Corporation Limited
The Scottish Life Assurance Company
The Scottish Mutual Assurance Society
The Scottish Provident Institution
Scottish Union and National Insurance Company
Scottish Widows' Fund and Life Assurance Society
The Sentinel Insurance Company Limited
Standard Life Assurance Company
Standard Life Pension Funds Limited
The State Assurance Company Limited
Suffolk Life Annuities Limited
Sun Alliance and London Assurance Company Limited
Sun Insurance Office Limited
Sun Life Assurance Company of Canada
Sun Life Assurance Society Limited
The Teachers' Assurance Company Limited
Terra Nova Insurance Company Limited
Trident General Insurance Company Limited
Trident Investors Life Assurance Company Limited
Trident Life Assurance Company Limited
Union Insurance Society of Canton Limited
United British Insurance Company Limited
The United Friendly Insurance Company Limited
United Kingdom Temperance and General Provident Institution
United Standard Insurance Company Limited
The University Life Assurance Society
The Victory Insurance Company Limited
Wesleyan and General Assurance Society
The Western Australian Insurance Company Limited
The White Cross Insurance Company Limited
Yorkshire—General Life Assurance Company Limited
The Yorkshire Insurance Company Limited

Friendly Societies

The Ancient Order of Foresters Friendly Society
Anglo-Saxons Friendly Society
Birmingham and Midlands Self Employed Persons' Friendly Society
Blackburn Philanthropic Mutual Assurance Society
British Benefit Society
British Order of Ancient Free Gardeners' Friendly Society
British United Order of Oddfellows Friendly Society
The Church Benefit Society
Cirencester Benefit Society

City of Glasgow Friendly Society
Civil Servants' Annuities Assurance Society
Colmore Friendly Society
County Assurance Collecting Society
Coventry Assurance Society
Dentists' Provident Society
Derby Provident Collecting Society
Devon and Exeter Men's Equitable Benefit Society
Devon and Exeter Women's Equitable Benefit Society
Grand United Order of Oddfellows Friendly Society
The Hampshire and General Friendly Society
Harvest Friendly Society
Hazel Grove Provident Burial Society
Hearts of Oak Benefit Society
Hoddesdon Provident and Annuity Society
The Ideal Benefit Society
Independent Order of Oddfellows East Anglian Unity Friendly Society
The Independent Order of Odd Fellows Manchester Unity Friendly Society
The Independent Order of Rechabites, Salford Unity, Friendly Society
Leeds District of the Ancient Order of Foresters Investment Association
Leek Assurance Collecting Society
The Leicester District Foresters' Investment Society
Liverpool Clerks' Association
Liverpool Victoria Friendly Society
Loyal Hearts Friendly Collecting Society
The Loyal Order of Ancient Shepherds (Ashton Unity) Friendly Society
Loyal Past and Present Officers' Lodge, Norwich District, Independent Order of Oddfellows M.U. Friendly Society
The Manchester and Districts of the Ancient Order of Foresters Investment Association
National Deposit Friendly Society
National Equalized Druids Friendly Society
National United Order of Free Gardeners Friendly Society
New Tab Friendly Society
Northumberland and Durham Miners' Permanent Relief Fund Friendly Society
Nottingham Permanent Mutual Money Society
The Order of Druids Friendly Society
The Order of the Sons of Temperance Friendly Society
Original Holloway Society
Peaceable Friendly Collecting Society
Pharos Assurance Friendly Society
Pioneer Benefit Society
Preston Catholic Collecting Society
Preston Shelley Assurance Collecting Society
Provident Reliance Friendly Society
Rational Assurance Friendly Collecting Society
Royal Liver Friendly Society
Scottish Friendly Assurance Society
The Scottish Legal Life Assurance Society
Sons of Scotland Temperance Friendly Society
Stepney District Distressed Members' Pension Benevolent Fund
Suffolk Friendly Society
Tasso Tabernacle Friendly Society
The Teachers' Provident Society

Time Assurance Society
Tunbridge Wells Equitable Friendly Society
Tunstall and District Assurance Collecting Society
United Ancient Order of Druids Friendly Society
United Kingdom Civil Service Benefit Society
United Law Clerks' Society
United Patriots' National Benefit Society
West Surrey General Benefit Society
Widow and Orphan Fund of the Woolwich District of the Independent Order of Odd Fellows Manchester Unity Friendly Society
Widow and Orphans Fund of the Brighton District of the Independent Order of Odd Fellows Manchester Unity Friendly Society
Widow and Orphans' Fund, Stepney District of the Independent Order of Odd Fellows, Manchester Unity Friendly Society
Widows' and Orphans' Society, Ware District of Odd Fellows
Widow, Widowers and Orphans' Fund of the Godalming District of the Independent Order of Oddfellows, Manchester Unity, Friendly Society
Wiltshire Friendly Society
Wiltshire Holloway Benefit Society
Wiltshire Juvenile Friendly Society

Charities

The Central Board of Finance of the Church of England
Church Commissioners
The Church of England Pensions Board
The Church of Scotland
The Church of Scotland General Trustees
Church of Scotland Trust
The Winchester Diocesan Board of Finance
York Diocesan Board of Finance Limited

PART II

Bodies Corporate	*Description of Agreement and Enactments*
Land Improvement Companies	
The Lands Improvement Company	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to— (*a*) the Lands Improvement Company's Acts 1853 to 1969(**a**); or (*b*) the Improvement of Land Acts 1864 and 1899(**b**).
Bodies corporate named or specifically referred to in a public general Act	
United Kingdom	
The Agricultural Mortgage Corporation Limited	Agreements of a description falling within section 16(2) of the Act, being agreements made for a purpose consistent with the principal objects of that body set out in section 1(1)(*a*) and (*b*) of the Agricultural Credits Act 1928(**c**).
Aycliffe Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965(**d**).
Basildon Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Bracknell Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Central Lancashire New Town Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Commission for the New Towns	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 36 of the New Towns Act 1965.

(**a**) 1853 c. cliv; 1855 c. lxxxiv; 1859 c. lxxxii; 1863 c. cxl; 1920 c. xi; 1969 c. xxv.
(**b**) 1864 c. 114; 1899 c. 46.
(**c**) 1928 c. 43.
(**d**) 1965 c. 59.

Corby Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Cumbernauld Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns (Scotland) Act 1968(**a**).
Cwmbran Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
East Kilbride and Stonehouse Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns (Scotland) Act 1968.
The Electricity Council	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made between the Council and employees or prospective employees of the Council pursuant to section 2(5) of the Electricity Act 1947(**b**) as applied in relation to the Council by section 3(6) of the Electricity Act 1957(**c**).
General Practice Finance Corporation	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to section 2(1) of the National Health Service Act 1966(**d**).
Glenrothes Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns (Scotland) Act 1968.
Harlow Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Herring Industry Board	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to a scheme made under, or having effect as if made under, section 31 of the Sea Fish Industry Act 1970(**e**).

(**a**) 1968 c.16.
(**b**) 1947 c.54.
(**c**) 1957 c. 48.
(**d**) 1966 c.8.
(**e**) 1970 c.11.

Irvine Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns (Scotland) Act 1968.
Livingstone Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns (Scotland) Act 1968.
The London Electricity Board	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.
Milton Keynes Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
The North Eastern Electricity Board	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.
Peterborough Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Peterlee Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Redditch Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Runcorn Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
The Scottish Agricultural Securities Corporation Limited	Agreements of a description falling within section 16(2) of the Act, being agreements made for a purpose consistent with the principal objects of that body set out in section 1(1)(*a*) and (*b*) of the Agricultural Credits (Scotland) Act 1929(**a**).

(**a**) 1929 c.13.

Skelmersdale Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
The South Western Electricity Board	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.
The Southern Electricity Board	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.
Stevenage Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Telford Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Warrington Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
Washington Development Corporation	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made pursuant to section 3 of the New Towns Act 1965.
White Fish Authority	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to section 5(1)(*a*), (*b*), (*d*), (*g*) or (*h*) of the Sea Fish Industry Act 1970.
The Yorkshire Electricity Board	Agreements of a description falling within article 2(2)(*a*) to (*c*), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.

Northern Ireland

Eastern Health and Social Services Board	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to article 59 of and Schedule 9 to the Health and Personal Social Services (Northern Ireland) Order 1972(**a**).
Northern Health and Social Services Board	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to article 59 of and Schedule 9 to the Health and Personal Social Services (Northern Ireland) Order 1972.
The Northern Ireland Housing Executive	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to section 14 of the Housing Executive Act (Northern Ireland) 1971(**b**).
Southern Health and Social Services Board	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to article 59 of and Schedule 9 to the Health and Personal Social Services (Northern Ireland) Order 1972.
Western Health and Social Services Board	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to article 59 of and Schedule 9 to the Health and Personal Social Services (Northern Ireland) Order 1972.

(**a**) S.I. 1972/1265 (N.I.14). (**b**) 1971 c.5. (N.I.).

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order provides that certain consumer credit and consumer hire agreements shall be exempt agreements for the purposes of the Consumer Credit Act 1974.

The Order provides that the following consumer credit agreements are exempt agreements—

(*a*) certain agreements secured on land where the creditor is a body specified in the Schedule to the Order (Article 2);

(*b*) certain agreements where the number of payments to be made by the debtor does not exceed the number specified (Article 3(1)(*a*) and (*b*));

(*c*) certain agreements where the rate of the total charge for credit is a rate which does not exceed minimum lending rate plus one per cent or 13 per cent, whichever is the higher (Article 3(1)(*c*)); and

(*d*) certain agreements having a connection with a country outside the United Kingdom (Article 3(1)(*d*)).

The Order also provides that the following consumer hire agreements are exempt agreements—

(i) agreements where the owner is a statutory corporation supplying electricity, gas or water and the subject of the agreement is a meter or metering equipment used in connection with that supply (Article 4(*a*)); and

(ii) agreements where the owner is the Post Office or the Kingston upon Hull City Council and the subject of the agreement is telecommunications equipment other than equipment forming part of an internal telephone system (Article 4(*b*)).

SI 1977/326
ISBN 0-11-070326-X

