STATUTORY INSTRUMENTS

1983 No. 1558

CONSUMER CREDIT

The Consumer Credit (Notice of Cancellation Rights) (Exemptions) Regulations 1983

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 64(4) 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:—

1.—(1) These Regulations may be cited as the Consumer Credit (Notice of Cancellation Rights) (Exemptions) Regulations 1983 and shall come into operation on 19th May 1985.

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

2. Section 64(1)(*b*) of the Act (which provides for the sending to debtors or hirers of a notice of their right to cancel a cancellable agreement) shall not apply in the case of agreements of the description specified in the Schedule to these Regulations, being agreements made by a particular person, if:—

(a) on an application by that person to the Director, the Director has determined that, having regard to—

(i) the manner in which antecedent negotiations for agreements with the applicant of that description are conducted, and

(ii) the information provided to debtors before such agreements are made,

the requirement imposed by section 64(1)*(b)* of the Act can be dispensed with without prejudicing the interests of debtors; and

(b) any conditions imposed by the Director in making the determination are complied with.

Alexander Fletcher,
Parliamentary Under-Secretary of State,
Department of Trade and Industry.

24th October 1983.

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

Regulation 2

SCHEDULE

DESCRIPTION OF AGREEMENTS

Regulated consumer credit agreements which satisfy all the following conditions, namely they are agreements:—

1. which finance the supply of goods by the creditor to the debtor;

2. in relation to the making of which antecedent negotiations have been conducted that include the circulation of circulars, catalogues, brochures, price lists or audio-visual materials which—

(a) contain the information specified in Schedules 1 and 2 to the Consumer Credit (Advertisements) Regulations 1980(**a**); and

(b) contain or are accompanied by a prominent notice indicating that the relevant printed or audio-visual material is available to the debtor to study in the absence of the negotiator before signing the unexecuted agreement;

3. under which goods supplied may be returned to the creditor within 14 days of their receipt by the debtor without the debtor incurring any liability, other than any liability which may arise from the failure of the debtor to take reasonable care of the goods while they are in his possession; and

4. on the making of which it is in the contemplation of the parties to the agreement that the creditor, or an agent of the creditor, or the negotiator may visit the debtor from time to time, and will maintain continuity of contact with him, during the duration of the agreement in relation to the collection of payments due under the agreement.

(**a**) S.I. 1980/54, amended by S.I. 1980/1360, 1983/110.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

Sections 67 to 73 of the Consumer Credit Act 1974 relate to the right of debtors and hirers to cancel certain agreements regulated by the Act within a "cooling-off" period. Section 64 requires a notice of cancellation rights to be sent to the debtor or hirer by post, but enables this requirement to be dispensed with, in relation to such types of agreement as are described in regulations, where the Director General of Fair Trading has determined that this can be done without prejudicing the interests of debtors or hirers, subject to compliance with any conditions which he may impose.

These Regulations give effect to this provision, and describe, in the Schedule, the agreements in relation to which such a determination may be made. These are consumer credit agreements regulated by the Consumer Credit Act 1974 which satisfy all the following conditions, namely they are agreements:—

(a) which finance the supply of goods by the creditor to the debtor;

(b) where relevant printed matter or audio-visual material containing the information required to be given in full credit advertisements under the Consumer Credit (Advertisements) Regulations 1980 contains or is accompanied by a prominent notice indicating that the material is available to the debtor to study in the absence of the negotiator before signing;

(c) under which the debtor may return the goods undamaged within 14 days of receipt without liability; and

(d) where contact will be maintained between the debtor and the creditor, or his agent or the negotiator, during the agreement for the collection of payments due under it.

SI 1983/1558
ISBN 0-11-037558-0

