STATUTORY INSTRUMENTS

1980 No. 55

CONSUMER CREDIT

The Consumer Credit (Quotations) Regulations 1980

Made - - - -	17*th January* 1980
Laid before Parliment	29*th January* 1980
Coming into Operation	6*th October* 1980

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The Secretary of State, in exercise of powers conferred on him by sections 52, 152 and 182(2) 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 (Quotations) Regulations 1980 and shall cime into operation on 6th October 1980.

(2) In these Regulations—

"the Act" means the Consumer Credit Act 1974;

"cash price" means the price or charge at which a person indicates that he is or may be willing to sell or supply goods, services, land or other things, as the case may be, to cash purchasers, being a price or charge—

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

(*a*) which, in relation to a quotation, applies at the time at which the quotation is given or, if a time is specified in the quotation as a time at which the cash price applies, at that time; and

(*b*) which takes no account—

(i) except where the customer has indicated to the trader that he is a person to whom the discount is available, of any discount available only to particular persons or to a particular class of persons or to persons in particular circumstances; and

(ii) except where the customer has indicated to the trader in a request that he wishes to acquire a quantity or amount in respect of which the discount is available by virtue of the sale or supply of goods, services, land or other things in a quantity or amount greater than the minimum quantity or amount which the trader indicates that he is or may be willing to sell or supply;

"cash purchaser" means, in relation to any quotation, a person who, for a money consideration—

(*a*) acquires the ownership of goods, land or other things; or

(*b*) is provided with services,

under a transaction which is not financed by credit;

"Consumer credit tables" means tables contained in Parts 1 to 15 of "Consumer credit tables" published in 1977 by Her Majesty's Stationery Office as modified by Correction Slips so published in December 1978 (being tables calculated in accordance with the principles set out in the Consumer Credit (Total Charge for Credit) Regulations 1980(**a**));

"credit agreement" means a personal credit agreement secured on land or a consumer credit agreement;

"customer" has the meaning assigned to it by regulation 2;

"full credit advertisement" means an advertisement complying with the requirements of regulation 8 of the Consumer Credit (Advertisements) Regulations 1980(**b**);

"full hire advertisement" means an advertisement complying with the requirements of regulation 16 of the Consumer Credit (Advertisements) Regulations 1980;

"hire" includes bailment but does not include bailment or hire under a hire-purchase agreement;

"hire payment" means a payment made by a person in relation to any period in cosdideration of the hire to him of goods;

"premises" includes any place, stall, vehicle, vessel, aircraft or hovercraft at which a person is carrying on any business (whether on a permanent or temporary basis);

"quotation" means a document given in accordance with regulations 4 to 6 in response to a request to which these Regulations apply or given in circumstances mentioned in regulation 7;

"rate of the total charge for credit" means the rate determined in accordance with the Consumer Credit (Total Charge for Credit) Regulations 1980;

(**a**) S.I. 1980/51. (**b**) S.I. 1980/54.

"total amount payable by the debtor" has the meaning assigned to it by paragraph 12 of Schedule 1 to these Regulations; and

"trader" means a person who carries on one or more of the following—

(*a*) a consumer credit business;

(*b*) a consumer hire business; and

(*c*) a business in the course of which he provides credit to individuals secured on land.

(3) In these Regulations, references to repayment of credit are references to repayment of credit with or without any other amount.

(4) In these Regulations, any reference to the name of any person is—

(*a*) in the case of any person covered by a standard licence, a reference to any name of his specified in the licence; and

(*b*) in the case of any other person, a reference to any name under which he carries on business.

(5) Where any expression is used in these Regulations and in the Act, for the purposes of these Regulations that expression shall be construed as if in the Act (except section 8) references to consumer credit agreements and to regulated agreements (being consumer credit agreements) and references to any description of agreement which is a consumer credit agreement or such a regulated agreement included references to personal credit agreements, or to personal credit agreements of that description, being in either case agreements secured on land.

Requests for quotations

2.—(1) Subject to regulation 3 below, these Regulations apply to any request made to a trader or credit-broker by an individual ("the customer") or by a person acting on his behalf which—

(*a*) is for written information about the terms on which the trader is prepared to do business with the customer being business comprising a transaction indicated in the request; and

(*b*) is—

(i) made in writing to the trader or credit-broker,

(ii) made orally, in the presence of the trader or credit-broker, on premises where a business is carried on by him, or

(iii) made orally on the telephone in response to an advertisement which gives the number of a telephone by means of which the trader or credit-broker wishes requests to which these Regulations apply to be made.

(2) In this regulation—

(*a*) references to a trader or credit-broker include references to a person acting on his behalf; and

(*b*) "transaction" means a prospective personal credit agreement secured on land or a prospective regulated agreement.

Requests to which Regulations do not apply

3.—(1) These Regulations do not apply to a request within paragraph (1) of regulation 2 above which—

(*a*) relates to fixed-sum credit to be provided under a debtor-creditor-supplier agreement, where the cash price of the goods, services or other things to be supplied under a transaction financed by the agreement does not exceed £30;

(*b*) relates to a transaction in respect of which a quotation (not being a quotation given under regulation 6(2) below) was given by or on behalf of the trader to the customer within the period commencing 28 days before the request is received;

(*c*) is made in writing (otherwise than by post or telecommunication) by or is made orally by the customer or a person acting on his behalf on premises where a business is carried on by the trader or credit-broker and where, at the time the request is made, a full credit advertisement or, as the case may be, a full hire advertisement indicating that the trader is willing to enter into the transaction to which the request relates is conspicuously displayed in a part of the premises to which customers have access;

(*d*) is made by or on behalf of an individual residing outside the United Kingdom at the time the request is made; or

(*e*) is made by or on behalf of a minor.

(2) These Regulations do not apply to a request within paragraph (1) of regulation 2 above relating to an agreement in relation to which the creditor is a local authority or a building society, being an agreement of one of the following descriptions, that is to say,—

(*a*) agreements within subsection (2) of section 16 of the Act;

(*b*) personal credit agreements which would fall within paragraph (*a*) above if the credit provided thereunder were not to exceed £5,000.

Obligation to give quotations

4.—(1) Subject to paragraph (2) below, a trader or credit-broker who receives a request to which these Regulations apply shall give or cause to be given to the customer or any person making the request on his behalf a quotation in writing which complies with regulations 5 and 6 below.

(2) Paragraph (1) above does not apply where the trader or credit-broker, within a reasonable time after recieving the request, informs the customer or person acting on his behalf by notice or orally in his presence that the trader does not intend to do business with that customer or does not intend to do businesses with him except business which is arranged by another person, being business comprising a transaction indicated in the request.

Form of quotations

5.—(1) The information required to be included in any quotation shall be presented clearly and together as a whole.

(2) In every quotation, the statement of the rate of the total charge for credit or a rate determined in accordance with the provisions of Schedule 3 to these Regulations shall be afforded—

(*a*) greater prominence than a statement relating to any other rate of charge; and

(*b*) no less prominence than a statement relating to—

(i) any period,

(ii) the amount of any advance payment or the fact that no advance payment is required, or

(iii) the amount, number or frequency of any other payments or charges (other than the cash price of goods, services, land or other things) or of any repayments.

Content of quotations

6.—(1) Subject to paragraph (2) below, every quotation—

(*a*) in the case of a quotation relating to credit, shall contain the information set out in Schedule 1 to these Regulations and, in the case of a quotation relating to hire, shall contain the information set out in Schedule 2 to these Regulations;

(*b*) shall indicate the minimum period during which the information within sub-paragraph (*a*) above is to apply; and

(*c*) may be framed as an offer or in any other way.

(2) Where information required to be included in a quotation pursuant to paragraph (1) above cannot be ascertained by the trader or credit-broker, whether because the request contains insufficient information or for any other reason, the trader or credit-broker either—

(*a*) shall give a quotation in accordance with that paragraph containing—

(i) such information as may be ascertained by him at the date the quotation is given;

(ii) subject to paragraph (3) below, information based on such assumptions (including, in a case where, at the date the quotation is given, any information cannot be exactly ascertained by the person giving the quotation, assumptions as to the amount or rate of any item which will apply in that case) as the trader may reasonably make in all the circumstances of the case;

(iii) an indication of the assumptions made pursuant to head (ii) above; and

(iv) where assumptions have been made because the request contains insufficient information a statement indicating that if these assumptions are incorrect in the customer's case the customer may make a request for another quotation based on additional information supplied by him; or

(*b*) shall give notice in writing to the customer that the request does not contain all the information necessary to construct a quotation relating to the transaction mentioned in the request and shall—

(i) specify the information which is required, and

(ii) indicate that the trader or credit-broker will give a quotation if the customer makes another request containing that information.

(3) In a case where assumptions are to be made pursuant to paragraph 2(2) to (4) of Schedule 1 to these Regulations in relation to matters specified in that paragraph, paragraph (2)(*a*)(ii) above shall not permit any other assumption to be made in relation to those matters.

(4) The provisions of Schedule 3 to these Regulations shall have effect for the purpose of the disclosure of the rate of the total charge for credit.

Information given voluntarily

7. Where a trader or credit-broker gives information in writing to an individual pursuant to a request—

(*a*) which does not comply with regulation 2(1)(*b*) above; or

(*b*) which falls within regulation 3(1) above; or

and which is a request for written information about the terms on which the trader is prepared to do business with the individual, being business comprising a transaction indicated in the request, he shall give the information in a document which complies with regulations 5 and 6 above as if it were a quotation given in response to a request to which these Regulations apply.

17th January 1980.

Sally Oppenheim,

Minister of State,
Department of Trade.

SCHEDULE 1

(*Regulation* 6(1))

Information to be contained in quotations relating to credit

Name and address of person giving quotation

1. The name and a postal address of the person giving the quotation; and, where that person gives the quotation as a credit-broker, the name of the trader to whom the quotation relates.

Rate of the total charge for credit etc.

2.—(1)In relation to any credit agreement to which the quotation relates—

(*a*) subject to sub-paragraphs (2) to (6) below, the rate of the charge for credit; or

(*b*) an indication that the total amount payable by the debtor does not exceed the cash price of goods, services, land or other things, the acquisition of which is to be financed by credit,

as the case may require.

(2) In the case of a quotation relating to a debtor-creditor-supplier agreement for running-account credit under which—

(*a*) the debtor agrees to pay the creditor an amount specified in the agreement on specified occasions;

(*b*) there is a credit limit; and

(*c*) charges for credit are—

(i) a fixed amount in respect of each transaction, or

(ii) calculated as a proportion of the price payable under a transaction financed by the credit,

a statement of the rate of the total charge for credit calculated on the assumption specified on sub-paragraph (3) below and a statement of that rate calculated on the assumption specified in sub-paragraph (4) below.

(3) The first assumption referred to in sub-paragraph (2) above is the assumption that—

(*a*)the debtor is provided with an amount of credit at the date of the making of the agreement which, taken with the amount of the charge for that credit ascertained at that date, is equal to the credit limit; and

(*b*) the debtor repays the sum of the amounts referred to in head (*a*) above by payments of the specified amount on the specified occasions and makes no other payment and obtains no further credit in relation to the account.

(4) The second assumption referred to in sub-paragraph (2) above is the like assumption as in sub-paragraph (3) above save that the sum of the amounts referred to in head (a) thereof shall be taken to be one third of the credit limit.

(5) References in this paragraph to the rate of the total charge for credit include references to a rate determined in accordance with the provisions of Schedule 3 to these Regulations.

(6) In the case of a quotation relating to a debtor-creditor agreement enabling the debtor to overdraw on a current account under which the creditor is the Bank of England, a recognised bank within the meaning of the Banking Act 1979(**a**), a trustee savings bank within the meaning of section 3 of the Trustee Savings Bank Act 1969(**b**) or the Post Office in the exercise of its powers to provide banking services, there shall be substituted for the requirement of sub-paragraph 2(1)(*a*) above a requirement to state—

(*a*) a rate, expressed to be a rate of interest, being a rate determined as the rate of the total charge for credit calculated on the assumption that only interest is included in the total charge for credit; and

(*b*) the nature and amount of any other charge included in the total charge for credit.

Information relating to the rate of the total charge for credit

3. In the case of a quotation relating to credit in relation to which—

(*a*) the rate or amount of any item included in the total charge for credit will or may be varied under the agreement (other than a variation in consequence of an event which is certain to occur)—

(i) a statement indicating that in calculating the rate of the total charge for credit no account has been taken of any variation which may occur under the agreement of the rate or amount of any item entering into that calculation; and

(ii) a statement indicating the circumstances in which and, where that information is ascertainable at the date the quotation is given, the time at which any such variation may occur; or

(*b*) the rate of the total charge for credit is based on a total charge for credit which is calculated to take account of any subsidy receivable by any person under Part II of the Housing Subsidies Act 1967(**c**) (which makes provision for financial assistance for house purchase and improvement), a statement indicating that such subsidy has been taken into account on the basis that Part II of that Act will apply to the agreement under which credit is to be provided; or

(*c*) the rate of the total charge for credit is based on a total charge for credit which is calculated to take account of relief which may be available under section 19 of the Income and Corporation Taxes Act 1970(**d**) and Schedule 4 to the Finance Act 1976(**e**) (which afford relief in respect of premiums under certain policies of insurances) without any deduction under section 21 of the said Act of 1970, a statement indicating that it has been assumed that such relief may be available.

Amount of credit

4. In case of a quotation relating to fixed-sum credit to be provided under a debtor-creditor agreement or under a credit-token agreement, a statement indicating the amount of credit which the trader is willing to provide.

(**a**) 1979 c. 37. (**b**) 1969 c. 50. (**c**) 1967 c. 29.
(**d**) 1970 c. 10; section 21 was amended by 1976 c. 40, Schedule 4, paragraph 21.
(**e**) 1976 c. 40.

Credit limit

5. In the case of a quotation relating to running-account credit, the credit limit, expressed as—

(*a*) a sum of money; or

(*b*) a statement that the credit limit will be determined by the creditor from time to time under the agreement; or

(*c*) in a case not falling within head (*a*) or (*b*) above, a statement indicating the manner in which the limit will be determined.

Security etc.

6. Where the creditor, in relation to any credit agreement ordinarily requires the debtor (whether under the agreement or as a condition precedent to the making of the agreement)—

(*a*) to provide any security; or

(*b*) to place on deposit any sum of money in any account with the creditor or another person; or

(*c*) to effect or to agree to maintain any contract of insurance, being neither a contract of life insurance within paragraph 16 below nor a contract of insurance against the risk of loss or damage to goods or land or any risk relating to the use of the goods or land,

before he is provided with credit under the agreement or, as the case may be, before he enters into the agreement, a statement indicating the requirement in question.

Cash price

7. In the case of a quotation relating to fixed-sum credit to be provided under a debtor-creditor-supplier agreement where the quotation specifies the goods, services, land or other things the acquisition of which is to be financed by the agreement, the cash price of those goods, services, land or other things.

Advance payments

8.—(1) In the case of any quotation relating to credit where one or more payments are to be made by the debtor (whether under an agreement or as a condition precedent to the making of an agreement) before he is provided with credit under the agreement or, as the case may be, before he enters into the agreement, a statement indicating the number and frequency of such payments and the amount of each payment expressed either as a sum of money or as a proportion or multiple of any sum of money specified in the quotation in connection with any transaction to be financed by the credit.

(2) In sub-paragraph (1) above, "payment" includes any deposit but does not include a repayment of credit or any insurance premium or any amount entering into the total charge for credit.

Charges not included in the total charge for credit

9. In the case of any quotation relating to credit in respect of which any charges or premiums—

(*a*) in relation to which head (*e*) or (*f*) of regulation 5(1) of the Consumer Credit (Total Charge for Credit) Regulations 1980(**a**) has effect, or

(**a**) S.I. 1980/51.

(*b*) in relation to which head (*h*), (*k*) or (*l*) of the said regulation 5(1) has effect, being premiums under a contract of insurance against the risk of loss or damage to goods, land or other things to be acquired on credit,

a statement indicating that such charges or premiums are payable and, in the case of charges or premiums within head (*e*) or (*l*), a statement indicating that the debtor may choose the person with whom he makes the arrangements or contract of insurance in respect of which they are payable.

Payments which may or may not be payable by the debtor

10.—(1) In the case of any quotation relating to credit in respect of which the liability of the debtor to make any payment cannot be ascertained at the date the quotation is given, a statement indicating the description of payment in question and the circumstances in which the liability to make it will arise.

(2) Sub-paragraph (1) above does not apply to—

(*a*) any charge payable under the transaction to the creditor upon failure by the debtor or a relative of his to do or refrain from doing anything which he is required to do or refrain from doing, as the case may be; and

(*b*) any charge—

(i) which is payable by the creditor to any person upon failure by the debtor or a relative of his to do or refrain from doing anything which he is required under the transaction to do or refrain from doing, as the case may be, and

(ii) which the creditor may under the transaction require the debtor or a relative of his to pay to him or another person on his behalf.

Voluntary payments

11. In the case of a quotation which includes particulars of any goods, services, land or other things which may be acquired by the debtor but which he is not obliged to acquire under the credit agreement to which the quotation relates or under any linked transaction, a statement indicating that the debtor is not under any ogligation to acquire the goods, services, land or other things, as the case may be.

Total amount payable by the debtor

12.—(1) Subject to sub-paragraphs (2) to (3) below, in the case of a quotation relating to fixed-sum credit other than credit which is not repayable at specified intervals or in specified amounts, the total amount payable by the debtor, being the sum of all payments to be made by or on behalf of the debtor which fall within any of the follwoing, that is to say—

(*a*) advance payments within paragraph 8 above;

(*b*) the amount of credit repayable by the debtor; and

(*c*) the total charge for credit.

(2) In the case of such a quotation relating to an agreement under which—

(*a*) the amount of the payments of interest charged is determined by reference to the balance of credit outstanding established at periodic intervals; and

(*b*) the total charge for credit may differ as between that agreement and any other agreement of the same description by virtue of the time when the credit is provided,

the total amount payable by the debtor may be calculated in accordance with sub-paragraph (1) above as if for the reference to the total charge for credit there were substituted a reference to an amount which exceeds the total charge for credit under that agreement but which does not exceed the highest amount of the total charge for credit under any other such agreement; and in making that calculation it shall be assumed that every day is a working day.

(3) Sub-paragraphs (1) and (2) above do not apply where the cash price of goods, services, land or other things, the acquisition of which is to be financed by credit, is not less than the sum of the payments within sub-paragraph (1)(*a*) to (*c*) above which are to be made in relation to their acquisition.

Frequency and number of repayments

13.—(1) A statement indicating the frequency of the repayments of credit expressed as—

(*a*) the period in respect of which each repayment is to be made; or

(*b*) the dates on which repayments are to be made; or

(*c*) a statement that the credit and the total charge for credit are repayable in a single lump sum at the end of a specified period or on the happening of a specified event; or

(*d*) in a case not falling within heads (*a*) to (*c*) above, a statement indicating the requirements of the credit agreement in respect of the frequency of repayments of credit,

as the case may require.

(2) In the case of a quotation relating to fixed-sum credit other than credit which is not reqayable at specified intervals or in specified amounts, either—

(*a*) the number of repayments or, where that number cannot be ascertained, the maximum number; or

(*b*) the period over which the repayments are to be made or, where that period cannot be ascertained, the maximum period.

Amount of repayments

14.—(1) Subject to sub-paragraphs (2) and (3) below, in the case of a quotation relating to credit repayable by two or more repayments, a statement indicating the amount of each repayment expressed as a sum of money or as a specified proportion of a specified amount (including the amount outstanding from time to time).

(2) in a case where, at the date the quotation is given, the amount of any repayment cannot be expressed in accordance with sub-paragraph (1) above, the quotation shall not contravene that sub-paragraph if, in relation to that repayment, in place of the information specified therein, an indication is given of the manner in which the amount of that repayment will be determined.

(3) In the case of an agreement—

(*a*) 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; or

(*b*) under which the last repayment is unequal in that it is smaller than any of the others,

the amount of the unequal repayment, for the purposes of sub-paragraph (1) above, shall be treated as being of the amount of each of the other repayments.

Different treatment of cash and credit purchasers

15. Where the creditor or credit-broker at the date he gives the quotation—

(*a*) offers to persons proposing to acquire, otherwise than by way of the credit to which the quotation relates, any inducement to acquire any goods, services, land or other things which he does not also offer to those proposing to acquire by way of such credit; or

(*b*) offers to provide any service or benefit incidental to the supply of goods, services, land or other things to persons acquiring otherwise than by way of the credit to which the quotation relates which he does not offer to those proposing to acquire by way of such credit,

a statement indicating in what respect persons acquiring otherwise than by way of such credit are treated differently from those acquiring by way of such credit.

Credit repayable by proceeds of life insurance contracts

16.—(1) In the case of a quotation relating to credit which is to be repaid wholly or partly by monies payable under a contract of life insurance which is a linked transaction in relation to the agreement under which the credit is provided, a statement of—

(*a*) the amount ("the minimum sum assured") being the monies payable under the policy on the expiry of the term of the policy otherwise than on death, excluding the amount of any bonus which may be declared in favour of the policy holder;

(*b*) the minimum amount payable on death, if different from the minimum sum assured;

(*c*) the frequency of payment of premiums payable under the contract;

(*d*) the amount payable in respect of each premium; and

(*e*) the term of the policy or the maximum number of such premiums payable before the expiry of the term of the polecy otherwise than on death.

(2) In a case to which sub-paragraph (1) above applies, where the credit is, so far as may be, to be repaid wholly by the said monies and the minimum sum assured is less than the amount of credit provided, a statement indicating that where the total amount of the minimum sum assured and all accumulated bonuses is less than the amount of credit, the debtor is required to pay to the creditor from the debtor's own resources the amount by which that total amount falls short of the amount of credit.

(3) In a case to which sub-paragraph (1) above applies, where an estimate of the amount or rate of any bonus is indicated in the quotation in relation to any description of contract of life insurance made by a particular insurer, that rate or amount so estimated shall be based on rates or amounts which apply in relation to contracts of that description made by that insurer.

SCHEDULE 2

(Regulation 6 (1))

Information to be contained on quotations relating to hire

Name and address of the person giving the quotation

1. The name and a postal address of the person giving the quotation; and, where that person gives the quotation as a credit-broker, the name of the trader to whom the quotation relates.

Name of transaction

2. A statement indicating that the transaction to which the quotation relates is the hire of goods.

Security etc.

3. Where the owner, in relation to any hire agreement ordinarily requires the hirer (whether under the agreement or as a condition precedent to the making of the agreement)—

(*a*) to provide any security; or

(*b*) to place on deposit any sum of money in any account with the owner or another person; or

(*c*) to effect or to agree to maintain any contract of insurance not being a contract of insrtance against the risk of loss or damage to the goods hired or any risk relating to the use of the goods,

before he takes possession of the goods to be hired or, as the case may be, before he enters into the agreement, a statement indicating the requirement in question.

Advance payments

4.—(1) In the case of a quotation relating to hire where any payment is to be made by the hire (whether under an agreement or as a condition precedent to the making of an agreement) before he is under the agreement to take possession of the goods to be hired or, as the case may be, before he enters into the agreement, a statement indicating—

(*a*) where more than one such payment is to be made—

(i) the number of such payments; and

(ii) the period in respect of which each such payment is to be made or, where such period is of the same duration as those periods in relation to which payments are to be made after the hirer is under the agreement to possession of the goods to be hired, that that is the case; and

(*b*) whatever the mumber of payments to be made, the amount of each payment, expressed either—

(i) as a sum of money; or

(ii) as a proportion or multiple of a sum of money specified in the quotation in some other connection.

(2) In sub-paragraph (1) abvoe, "payment" includes any deposit.

Duration of hire

5. In a case where goods are to be hired under the agreement for a fixed period or a minimum period, a statement indicating that that is the case and specifying the duration of that period.

Frequenty of payments

6. A statement indicating the period in relation to which each hire payment, not being a payment within sub-paragraph 4(1) above, is to be made.

Amounts of payments

7. A statement indicating the amount of each hire payment (not being a payment within paragraph 4(1) above) expressed as,—

(*a*) where the payments are of equal amount, that amount or

(*b*) where the payments are or may be of unequal amounts, all of which are ascertainable at the time the quotation is given, either—

(i) the amount of the first payment and the amount payable after each variation of that amount together with particulars of the time at which or circumstances in which each variation will or may occur; or

(ii) the highest amount payable and an indication that that amount will be reduced after a specified period.

Ancillary charges

8.—(1) Except as provided on sub-paragraph (2) below, a statement indicating the description and amount of any charges (other than charges within paragraphs 4 and 7 above) payable under the hire transaction by or on behalf of the hirer or a relative of his whether to the owner or any other person, not withstanding that the whole or part of the charge may be repauable at any time or that the consideration therefor may include matters not within the transaction or subsisting at a time not within the duration of the agreement; and in this paragraph "transaction" means a consumer hire agreement, any transaction which is a linked transaction by virtue of section 19(1)(*a*) of the Act, any contract for the provision of security relating to the agreement and any other contract to which the hirer or a relative of his is a party and which the owner requires to be made or maintained as a condition of the making of the agreement.

(2) Sub-paragraph (1) above does not apply to the following charges—

(*a*) any charge payable under the transaction to the owner upon failure by the hirer or a relative of his to do or to refrain from doing anything which he is required to do or to refrain from doing, as the case may be;

(*b*) any charge—

(i) which is payable by the owner to any person upon failure by the hirer or a relative of his to do or to refrain from doing anything which he is required under the transaction to do or to refrain from doing, as the case may be, and

(ii) which the owner may under the transaction require the hirer or a relative of his to pay to him or to another person on his behalf;

(*c*) any charge—

(i) of a description which relates to services or benefits incidental to the agreement and also to other services or benefits which may be supplied to the hirer, and

(ii) which is payable pursuant to an obligation incurred by the hirer under arrangements effected before he applies to enter into the agreement, not being arrangements under which the hirer is bound to enter into any hire agreement;

(*d*) subject to sub-paragraph (3) below, any charge under arrangements for the care, maintenance or protection of goods;

(*e*) a premium under a contract of insurance made before the hirer applies to enter into the agreement; and

(*f*) subject to sub-paragraph (3)(*b*) below, a premium under any other contract of insurance.

(3) Sub-paragraph (2) above has effect only—

(*a*) in the case of a charge within head (*d*) of that sub-paragraph where, in pursuance of the arrangements—

(i) the services are to be performed if, after the date of the making of the agreement, the condition of the goods becomes or is in immediate danger of becoming such that the goods cannot reasonably be enjoyed or used, and

(ii) the charge will not accrue unless the services are performed; and

(*b*) in the case of any other charge within head (*d*) or (*f*) of that sub-paragraph—

(i) where provision of substantially the same description as that to which the arrangements or contract of insurance relate is available under comparable arrangements from a person who is not the owner of a credit-broker who introduced the hirer and the owner, and

(ii) where the arrangements or contract of insurance are made with a person chosen by the hirer, and

(iii) if, in accordance with the transaction, the consent of the owner or of the credit-broker who introduced the hirer and the owner is required to the making of the arrangements or contract of insurance, where the transaction provides that such consent may not be unreasonably withheld whether because no incidental benefit will or may accrue to the owner or to the credit-broker or on any other ground;

and references in this paragraph to the owner and a credit-broker include references to his near relative, his partner and a member of a group of which he is a member, to any person nominated by him or any such person in relation to the arrangements or the contract of insurance, and to a near relative of his partner; and "near relative" means, in relation to any person, the husband, wife, father, mother, brother, sister, son or daughter of that person and "group" means the person (including a company) having control of a company together with all the companies directly of indirectly controlled by him.

Variation of charges

9.—(1) Where any payment or charge referred to in paragraph 7 or 8(1) above may be varied under the hire agreement and the amount of any such payment or charge following any variation cannot be ascertained at the time the quotation is given, a statement indicating that the payment or charge may be varied and the circumstances in which it may be varied and, where that information is ascertainable at the date the quotation is given, the time at which any such variation may occur.

(2) This paragraph does not apply to a variation which takes account only of changes in the rate of value added tax (including a change from no tax being chargeable).

SCHEDULE 3

(Regulation 6 (4))

Provisions relating to disclosure of the rate of the total charge for credit

Permissible tolerances in disclosure of the rate of the total charge for credit

1. For the purposes of these Regulations, it shall be sufficient compliance with the requirement to show the rate of the total charge for credit if there is included in the quotation—

(*a*) a rate which exceeds the rate of the total charge for credit by not more than one; or

(*b*) a rate which falls short of the rate of the toal charge for credit by not more than 0.1; or

(*c*) in a case to which any of paragraphs 2 to 5 below applies, a rate determined in accordance with the paragraph of such of them as apply to that case.

Tolerance where credit repayable in nearly equal instalments

2. 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 a quotation relating to the agreement a rate found under any of regulations 7, 9 and 10 of the Consumer Credit (Total Charge for Credit) Regulations 1980(**a**) 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 greater than interval between repayments

3.—(1) Subject to sub-paragraph (2) below, in the case of an agreement under which—

(*a*) the credit and the total charge for credit are repayable by three or more repayments at equal intervals; and

(*b*) the interval between the relevant date and the first repayment is greater than the interval between repayments,

(**a**) S.I. 1980/51.

there may be included in a quotation relating to the agreement a rate found under any of regulations 7,9 and 10 of the Consumer Credit (Total Charge for Credit) Regulations 1980 as if the interval between the relevant date and the first repayment were shortened so as to be equal to the interval between repayments; and in this paragraph "relevant date" means, in a case where a date is specified in or determinable under the agreement at the date of its making as that on which the debtor is entitled to require provision of anything the subject of the agreement, the earliest such date and, in any other case, the date of the making of the agreement.

(2) Sub-paragraph (1) above applies only where the interval between the relevant date and the first repayment is greater than the interval between repayments by no more than one month or one such interval whichever is the less.

Tolerance where Consumer credit tables do not exactly apply

4.—(1) In a case where, in relation to any agreement, the charge per pound lent, the flat rate or the period rate of charge, as the case may be, is not exactly represented by an entry in a table contained in the Consumer credit tables, there may be included in a quotation relating to the agreement a rate found by applying the next greater entry appearing in those tables for the purposes of calculating that rate.

(2) In sub-paragraph (1) above "charge per pound lent", "flat rate" and "period rate of charge" have the meanings assigned to them by the relevant Introduction or Instructions contained in the Consumer credit tables.

Tolerance where period rate of charge is charged

5. In the case of an agreement to which regulation 7(1) of the Consumer Credit (Total Charge for Credit) Regulations 1980 (agreements under which a period rate of charge is charged) applies, there may be included in a quotation relating to the agreement a rate, being the rate of the total charge for credit determined as if no account were taken of any amount by which the total amount of the charges included in the total charge for credit in relation to each period is varied so as to bring that amount to the nearest whole penny, one half-penny being for this purpose expressed to the next higher whole penny.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations prescribe the form and content of documents ("quotations") in which persons carrying on consumer credit businesses, consumer hire businesses and businesses in the course of which credit secured on land is provided to individuals give prospective customers information about the terms on which they are prepared to do business.

The Regulations also prescribe the cirumstances in which such quotations are to be provided. With certain exceptions the Regulations apply when the proposed transaction would be an agreement regulated by the Consumer Credit Act 1974 or an agreement secured on land. A quotation must be provided in response to a request for written information made on writing, orally on the trader's premises or, in certain circumstances, by telephone.

The "Consumer credit tables" (Parts 1 to 15) referred to in Schedule 3 may be obtained from Her Majesty's Stationery Office or through booksellers.