STATUTORY INSTRUMENTS

1977 No. 770

HIRE PURCHASE

The Control of Hiring Order 1977

Made - - - -	*2nd May* 1977
Laid before Parliament	*9th May* 1977
Coming into Operation	*1st June* 1977

The Secretary of State, in exercise of the powers conferred by sections 1 and 7 of the Emergency Laws (Re-enactments and Repeals) Act 1964(a) and all other powers enabling him in that behalf, hereby orders as follows:—

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Control of Hiring Order 1977 and shall come into operation on 1st June 1977.

(2) In this Order: —

"hiring agreement" means an agreement to let goods on hire which is not a hire-purchase agreement;

"overseas visitor" means any person who is not ordinarily resident in the United Kingdom;

"related agreement" means, in relation to any hiring agreement, any other agreement made or intended to be made between the parties in relation to the goods comprised in the hiring agreement and any other agreement made or to be made in relation to those goods as a condition for entering into the hiring agreement;

"rental" includes, in relation to any goods, any payment (howsoever payable) made wholly or partly for the possession or use, or possession and use, of the goods.

(3) For the purposes of this Order the payment of any amount shall be deemed not to be actual payment of that amount if, for the purpose of facilitating the making of that payment or any part of it, money has been borrowed or otherwise acquired or agreed or arranged to be borrowed or otherwise to be acquired (whether by the person making the payment or by some other person) under or as a result of an agreement or arrangement to which any relevant person is a party and for this purpose a relevant person is: —

(*a*) in relation to a hiring agreement, any of the following: —

(i) the person disposing of goods under the agreement,

(ii) a person who has supplied or is to supply those goods to another person with a view to their being disposed of under the agreement,

(iii) the manufacturer of those goods,

(a) 1964 c. 60.

(*b*) in relation to goods in the possession of a person in anticipation of the making of a hiring agreement, any of the following: —

(i) any person who has caused or is permitting that possession,

(ii) any person who has supplied those goods to another with a view to their being disposed of under a hiring agreement to the person in possession of them,

(iii) the manufacturer of those goods,

(*c*) in relation to goods disposed of by one person to a second person for the purpose of enabling the second person to dispose of them to a third person under a hiring agreement, any of the following: —

(i) the first person,

(ii) the second person,

(iii) the manufacturer of the goods.

Goods to which Order applies

2.—(1) The goods to which this Order applies are:—

(*a*) goods (whether new or secondhand) of any of the descriptions specified in items 1 to 5 inclusive in Part I of Schedule 1 hereto not being goods of a description specified in Part II of that Schedule;

(*b*) any other goods (including goods of any of the descriptions specified in Part II of Schedule 1) comprised in a hiring agreement with goods to which this Order applies by virtue of sub-paragraph (*a*) above.

(2) This Order does not apply to the disposal or to the possession of a vehicle of a description specified in item 5 in Part I of Schedule 1 hereto under a hiring agreement where the hirer—

(*a*) is a person entitled, at the time the agreement is made, to a mobility allowance under section 37A of the Social Security Act 1975(**a**) (which makes provision for payment of a mobility allowance to certain physically disabled persons) as inserted in that Act by section 22(1) of the Social Security Pensions Act 1975(**b**); or

(*b*) is a receiver appointed by the Court of Protection in relation to a person referred to in (*a*) above with power to claim or, as the case may be, receive a mobility allowance on his behalf or, in Scotland, is the tutor, curator or other guardian acting or appointed in terms of law and administering the estate of any such person; or

(*c*) is a person appointed by the Secretary of State in relation to a person referred to in (*a*) above—

(i) in a case where that person is not under the age of 16, pursuant to regulation 26(1) of the Social Security (Claims and Payments) Regulations 1975(**c**) as applied in relation to a mobility allowance by regulation 21(1) of the Mobility Allowance Regulations 1975(**d**); and

(ii) in a case where that person is under the age of 16, pursuant to regulation 21(2) to (8) of the Mobility Allowance Regulations 1975; or

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(**a**) 1975 c. 14.
(**b**) 1975 c. 60.
(**c**) S.I. 1975/560 (1975 I, p. 2014).
(**d**) S.I. 1975/1573 (1975 III, p. 5450).

(*d*) is a person who is, at the time the agreement is made, in possession of an invalid carriage or other vehicle provided to him in pursuance of section 33 of the Health Services and Public Health Act 1968(**a**) (which relates to vehicles for persons suffering from physical defect or disability) or receiving payments in pursuance of subsection (3) of that section; or

(*e*) is a person nominated for the purpose of this paragraph by any person referred to in (*a*) to (*d*) above:

Provided, in any such case, that at the time the agreement is made the hirer is not a party as hirer to any other hiring agreement relating to a vehicle to which, by virtue of this paragraph, this Order does not apply.

(3) In the application of paragraph (2) above to Northern Ireland, there shall be substituted for references—

(*a*) in sub-paragraph (*a*) to section 37A of the Social Security Act 1975 and to section 22(1) of the Social Security Pensions Act 1975, references to section 37A of the Social Security (Northern Ireland) Act 1975(**b**) and article 24(1) of the Social Security Pensions (Northern Ireland) Order 1975(**c**) respectively;

(*b*) in sub-paragraph (*b*) to a receiver appointed by the Court of Protection, references to a committee, guardian or receiver lawfully appointed;

(*c*) in sub-paragraph (*c*)—

(i) in sub-paragraph (i) thereof, to regulation 26(1) of the Social Security (Claims and Payments) Regulations 1975 and to regulation 21(1) of the Mobility Allowance Regulations 1975, references to regulation 26(1) of the Social Security (Claims and Payments) Regulations (Northern Ireland) 1975(**d**) and to regulations 20(1) of the Social Security (Mobility Allowance) Regulations (Northern Ireland) 1975(**e**) respectively; and

(ii) in sub-paragraph (ii) thereof, to regulation 21(2) to (8) of the Mobility Allowance Regulations 1975, references to regulation 20(2) to (8) of the said Social Security (Mobility Allowance) Regulations (Northern Ireland) 1975; and

(*d*) in sub-paragraph (*d*) to section 33 of the Health Services and Public Health Act 1968, references to article 30 of the Health and Personal Social Services (Northern Ireland) Order 1972(**f**).

(4) This Order does not apply to the disposal or to the possession of goods under a hiring agreement for the purpose or in the course of a trade or business (including a professional practice and the activities of any local or public authority) carried on by the hirer.

Persons not to dispose of goods unless specified requirements complied with

3. A person shall not dispose of any goods to which this Order applies under a hiring agreement unless the requirements specified in Schedule 2 hereto are or have been complied with in relation to that agreement and any related agreement.

(**a**) 1968 c. 46.
(**b**) 1975 c. 15.
(**c**) S.I. 1975/1503 (N.I. 15).
(**d**) S.R. & O. (N.I.) 1975 No. 104.
(**e**) S.R. & O. (N.I.) 1975 No. 280.
(**f**) S.I. 1972/1265 (N.I. 14).

Persons not to dispose of goods to other persons for further disposal under hiring agreements unless minimum payment previously made by hirer

4. A person shall not dispose of any goods to which this Order applies to a second person for the purpose of enabling the second person to dispose of those goods to a third person under a hiring agreement unless, before those goods are disposed of to the second person, the third person shall have made actual payment of the amount which the third person would have been required to pay in accordance with the provisions of paragraph 4 of Schedule 2 hereto if he had entered into a hiring agreement comprising those goods with the first person in the ordinary course of business on the date when the goods were disposed of to the second person.

Persons not to be in possession of goods unless specified requirements complied with

5. A person shall not be in possession of any goods to which this Order applies under a hiring agreement unless:—

(*a*) that agreement and any related agreement complies with the requirements specified in paragraph 1 of Schedule 2 hereto; and

(*b*) a payment was made by him before he entered into that agreement complying with the requirements specified in paragraph 4 of Schedule 2 hereto (except where such a payment is not required by virtue of the proviso to sub-paragraph (1) of the said paragraph 4); and

(*c*) the terms of that agreement and of any related agreement are such as to comply with the requirements specified in paragraph 2, 3 and 5 of Schedule 2 hereto.

Persons not to cause or permit others to be in possession of goods contrary to Article 5

6. A person shall not knowingly cause or permit any goods to which this Order applies to be in the possession of another person under a hiring agreement if the possession of those goods by that other person contravenes the provisions of Article 5 hereof.

Persons not to cause or permit others to be in possession of goods unless minimum payment made within specified period

7.—(1) A person shall not knowingly cause or permit another person to be in the possession of any goods to which this Order applies in anticipation of the making of a hiring agreement in respect of those or other goods to which this Order applies unless, within 14 days of those goods being disposed of to that other person, that other person has made actual payment of an amount, calculated in respect of those goods in accordance with the provisions of paragraph (2) below, to the person who has disposed of the goods to him.

(2) The amount to be paid by a person by virtue of paragraph (1) above in respect of any goods shall be the amount which that person would have been required to pay in accordance with the provisions of paragraph 4 of Schedule 2 hereto if he had entered into a hiring agreement for those or similar goods with the person disposing of those goods in the ordinary course of business on the date when those goods were disposed of to him.

(3) Any payment made by virtue of this Article or of the corresponding provision of any Order hereby revoked shall not be repaid in whole or in part unless and until the goods in respect of which the payment was made have been returned to the person to whom it was made.

Coin-operated television sets

8.—(1) A person shall not dispose of any television receiving set in pursuance of a hiring agreement if he knows either:—

(*a*) that payment of the amount of which actual payment is required to be made in respect of that agreement by paragraph 4 of Schedule 2 hereto, was facilitated by the insertion of coins in a slot meter or other device used for the purposes of operating, or otherwise in conjunction with, any other television receiving set which was disposed of, at any time during the period of nine months immediately preceding the making of that agreement, by that or any other person to the hirer under that agreement or to any other person; or

(*b*) that such other television receiving set was so disposed of with the intention that such a payment in respect of that agreement would be so facilitated.

(2) Notwithstanding the provisions of Article 13(1) hereof, the provisions of this article shall apply whenever the other television receiving set was manufactured.

Persons not to enter into certain modifying agreements

9.—(1) A person shall not enter into any agreement (including any renewal or extension of an agreement) whereby any hiring agreement which comprises goods to which this Order applies or any related agreement is varied in any one or more of the following respects: —

(*a*) any payment made in accordance with the provisions of this Order or of the corresponding provisions of any Order hereby revoked before the agreement was entered into, is affected;

(*b*) any payment to be made thereunder is increased;

(*c*) the periods in respect of which payments are to be made thereunder are varied;

(*d*) provision is made for a payment to be made by or to any person being a payment of the description referred to in paragraph 3(*a*) of Schedule 2 hereto:

Provided that nothing in this paragraph shall prohibit any person from entering into an agreement providing for the return on the termination of a hiring agreement of the whole or part of any payment made in accordance with the provisions of this Order or of the corresponding provisions of any Order hereby revoked before the last mentioned agreement was entered into.

(2) A person shall not enter into any agreement (including any renewal or extension of an agreement) whereby a hiring agreement is varied in such manner that that agreement comprises after such variation goods to which this Order applies not comprised therein before such variation.

(3) In any proceedings for an alleged contravention of paragraph (2) above it shall be a defence if the defendant shall prove that—

(*a*) the goods comprised in the agreement after its variation which were not previously comprised therein were in substitution for goods which had at the date of the variation been destroyed or had become unserviceable and unrepairable, and

(*b*) the goods so comprised were of the same description as, and were manufactured at approximately the same time as, the goods which they replaced.

Substitution of goods

10.—(1) A person shall not dispose of any goods to which this Order applies under a hiring agreement if those goods are in substitution for goods previously disposed of under that agreement.

(2) This Article shall apply notwithstanding any term of the agreement which requires or entitles any party thereto to make any substitution of goods previously disposed of under the agreement or which entitles any party thereto to the benefit of such substitution.

(3) In any proceedings for an alleged contravention of this Article it shall be a defence if the defendant shall prove that—

(*a*) the goods disposed of in substitution were of the same description as, and were manufactured at approximately the same time as, the goods which they replaced, and

(*b*) at the date when the goods were so disposed of—

(i) the goods which they replaced had been destroyed or had become unserviceable and unrepairable, or

(ii) in a case where the agreement required that the goods which they replaced should be kept at specified premises, being the residence of the hirer, the hirer had ceased to reside there.

Renewal and extension of agreements

11. A person who has disposed of goods to which this Order applies under a hiring agreement shall not renew or extend that agreement if after such renewal or extension any rental payable is greater than the smallest rental payable under that agreement before such renewal or extension.

Modification of controls in cases of death and assignment of business

12. In relation to any hiring agreement under which any goods to which this Order applies are disposed of to, or under which any such goods are in the possession of: —

(*a*) the spouse of a deceased person who at the date of his death was lawfully in possession of those goods under a hiring agreement otherwise than by virtue of Article 13(2), or

(*b*) a body corporate to whom possession of those goods has been transferred in the course of the assignment of a business to that body corporate by any person who was at the date of transfer lawfully in possession of those goods under a hiring agreement otherwise than by virtue of Article 13(2)—

this Order shall have effect in relation to those goods as if the requirements contained in Schedule 2 hereto did not include any requirement that actual payment of any sum be made before the agreement was entered into.

Exemptions

13.—(1) Nothing in this Order shall apply to the disposal or to the possession by any person of goods under a written hiring agreement, if those goods were manufactured not less than three years before the date on which the agreement was entered into.

(2) Nothing in this Order shall—

(*a*) apply to the disposal of goods other than mechanically propelled road vehicles under a hiring agreement the terms of which are such that the hirer will not be in possession on any premises of those goods for more than thirty days in any period of three months, being goods in respect of which there is no other hiring agreement under which another person may be in possession on the same premises of the goods during the whole or part of the remainder of the period of three months;

(*b*) apply to the possession by a person of goods other than mechanically propelled road vehicles under a hiring agreement if that person is not in possession (whether under that agreement or otherwise) on any premises of those goods for more than thirty days in any period of three months, and those goods are not during the whole or part of the remainder of the period of three months in the possession on the same premises of any other person;

(*c*) apply to the disposal of goods, being mechanically propelled road vehicles, under a hiring agreement for a period of not more than thirty days, if the total period during which the hirer will be in possession of those goods under that and any previous hiring agreement will not exceed thirty days in any period of twelve months;

(*d*) apply to the possession by a person of goods, being mechanically propelled road vehicles, under such an agreement, if that person has not been in possession of those goods, under that or any previous hiring agreement for more than thirty days in any period of twelve months;

(*e*) apply to the disposal of goods, being mechanically propelled road vehicles, under a hiring agreement if—

(i) the hirer was in possession under a previous hiring agreement of similar goods which have been stolen or damaged or otherwise become unroadworthy, and

(ii) the terms of the agreement are such that the hirer will not be in possession of those goods for more than sixty days in any period of twelve months;

(*f*) apply to the possession by any person of goods, being mechanically propelled road vehicles, under a hiring agreement if—

(i) that person was in possession under a previous hiring agreement of similar goods which have been stolen or damaged or otherwise become unroadworthy, and

(ii) the terms of the agreement are such that the hirer will not be in possession of those goods for more than sixty days in any period of twelve months.

(3) Nothing in this Order shall apply to the disposal or to the possession by any person of goods, being television receiving sets, under a written hiring agreement if those goods—

(*a*) were manufactured not less than two years before the date on which the hiring agreement is entered into, and

(*b*) were, under a previous hiring agreement, in the possession of the hirer under that agreement for a period of not less than twenty six weeks.

(4) Nothing in this Order shall apply to the disposal of goods to, or the possession of goods by, an overseas visitor under a hiring agreement.

(5) Nothing in this Order shall prohibit the variation of the terms of any hiring agreement or any related agreement whereby any rental or charge payable thereunder is varied provided that any such variation is made only to take account of a variation—

(i) in excise duty charged in accordance with section 1 of the Vechicles (Excise) Act 1971(a) in respect of any mechanically propelled road vehicle disposed of under the hiring agreement and which is paid by the person so disposing of the vehicle, and

(ii) in value added tax (including a change from a nil amount) chargeable by the person implementing the variation in respect of the supply of goods or services under the hiring agreement but so that the variation of rental or charge does not exceed the cash amount of the variation in value added tax.

(6) Nothing in this Order shall:—

(*a*) prohibit the doing of anything under the authority of a licence granted by the Secretary of State under this Article and in accordance with any condition attached thereto; or

(*b*) apply to the possession by a person of goods under a hiring agreement if the person letting those goods on hire has disposed of them to the hirer under the authority of a licence granted by the Secretary of State under this Article and in accordance with any condition attached thereto.

14. Nothing in Article 3 shall prohibit the disposal and nothing in Article 5 shall prohibit the possession of a mechanically propelled road vehicle under a hiring agreement which provides for the payment of a rental or charge calculated by reference to the distance travelled by that vehicle if the following conditions are fulfilled in relation to that agreement: —

(*a*) the agreement is for a definite period of twelve or more months,

(*b*) the agreement provides that no such rental or charge shall be payable unless the vehicle shall during the period of hire have travelled a distance greater than a distance specified in the agreement,

(a) 1971 c. 10.

(*c*) the distance so specified is a number of miles not less than the product of 1,250 and the number of months in the period of hire, and,

(*d*) the requirements specified in paragraphs 2, 3, 4 and 5 of Schedule 2 hereto are or have been complied with in relation to all other rentals and charges payable under that agreement or any related agreement.

Defences

15.—(1) In any proceedings for an alleged contravention of the provisions of Article 3 or 4 in which it is alleged that, by virtue of Article 2(3), a requirement of this Order that actual payment of an amount be made has not been complied with it shall, in respect of that allegation, be a defence if the defendant shall prove that at the time of the alleged offence: —

(*a*) he had no reasonable cause to believe that money had been borrowed or otherwise acquired or agreed or arranged to be borrowed or otherwise to be acquired for the purpose of facilitating the making of that payment or any part of it, and

(*b*) he was not a party to any agreement under or as a result of which money could be borrowed or otherwise acquired or agreed or arranged to be borrowed or otherwise to be acquired to facilitate the making of payments under or in relation to hiring agreements or related agreements.

(2) If in any proceedings for an alleged contravention of the provisions of Article 3 or 5 it is alleged that an agreement was entered into which did not comply with the requirement of paragraph 3(*a*) of Schedule 2 hereto it shall be a defence to that allegation if the defendant shall prove that the agreement was a contract of insurance.

Amending Orders—extension of range of goods within control

16. In the absence of any provision to the contrary contained therein, any Order which amends this Order as originally made or as subsequently amended, by extending the definition of goods to which this Order applies to include goods of a description not previously included in that definition shall not operate so as to make unlawful the disposal of goods of that description or the possession by any person of goods of that description under an agreement entered into before that amending Order came into operation which comprised goods of that description and no other goods to which this Order previously applied and Article 9(1) shall not apply to a variation of such an agreement or of a related agreement and Article 11 shall not apply to the renewal or extension of any such agreement.

Amending Orders—alteration of minimum hire periods

17. In the absence of any provision to the contrary contained therein, any Order amending this Order as originally made or as subsequently amended which alters any period specified in column 2 of Part I of Schedule 1 hereto shall not operate so as to make unlawful: —

(*a*) possession by any person of any goods under an agreement if that person was, immediately before that amending Order came into operation, lawfully in possession of those goods under that agreement, or

(*b*) disposal to or possession by any person after that amending Order came into operation of any goods under an agreement entered into before the amending Order came into operation if those goods could lawfully have been disposed of under that agreement immediately before the amending Order came into operation.

Transitional provisions

18. This Order shall have effect subject to the transitional provisions set out in Schedule 3 hereto.

Revocation

19. The Orders specified in Schedule 4 hereto are hereby revoked:

Provided that any current licence granted thereunder shall continue to have effect as if granted under this Order.

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

2nd May 1977.

SCHEDULE 1

Article 2(1)(*a*) *and Schedule* 2, *paragraph* 6

PART I

GOODS TO WHICH THIS ORDER APPLIES

Column 1 Description of Goods	Column 2 Minimum hire period Weeks
1. Radio receiving sets and television receiving sets (including portable sets and sets designed for use in road vehicles) whether or not assembled and whether or not complete; television aerials, cathode ray tubes and loud speakers ...	26
2. Gramophones, radio-gramophones, record players and tape recorders	26
3. Appliances and apparatus of the following descriptions, whether mechanically operated or not, being appliances or apparatus of a kind designed exclusively or mainly for domestic use:—	
Dish washers	26
Drying cabinets and drying machines	26
Washing machines and washers excluding washing machines and washers which are designed for heating water by electricity or gas but which are not otherwise designed for operation by electricity or gas	26
Ironing machines and irons	26
Floor polishers and floor scrubbers	26
Vacuum cleaners	26
Refrigerators and freezers having a storage capacity not exceeding 18 cubic feet	26
Machines for mixing, extracting and preparation of food and drink	26
Electric kettles and other cooking utensils incorporating heating elements, including electric hotplates	26
Dry shavers, electrically operated	26
Sewing machines	26
Knitting machines	26
Hair drying machines and electric hair rollers ...	26
4. Photographic cameras and photographic enlargers and lenses therefor, projectors and other photographic equipment not designed specifically for industrial, scientific or commercial use	26

	Column 1 Description of Goods	Column 2 Minimum hire period Weeks
5.	Mechanically propelled road vehicles having three or more wheels (not being motor cycles or mopeds with sidecars attached) constructed or adapted primarily for the purpose of carrying persons whether or not they are also constructed or adapted for any purpose ancillary thereto, and parts thereof (including chassis); and mechanically propelled road vehicles constructed or adapted for the purpose of carrying goods having a weight unladen calculated in accordance with section 194 of the Road Traffic Act 1972(a) of less than 40 cwt and having to the rear of the driver's seat roofed accommodation which is fitted with side windows or which is constructed or adapted for the fitting of side windows and parts thereof (including chassis)	42
6.	Goods to which this Order applies by virtue of Article 2(1)(*b*), that is to say, goods of any description not specified in any other item in this Part comprised in a hiring agreement with goods of a description so specified	The longest period set out in this column in relation to goods described in any other item, comprised in the agreement.

PART II

GOODS (BEING GOODS INCLUDED IN A DESCRIPTION OF GOODS IN PART I OF THIS SCHEDULE) TO WHICH THIS ORDER DOES NOT APPLY UNLESS WITHIN ITEM 6 OF THAT PART.

1. Ambulances.

2. Invalid carriages.

3. Vehicles specially constructed or adapted for disabled people.

4. Hearses.

5. Mobile shops and mobile canteens.

6. Vehicles constructed or adapted for the carriage of not less than twelve persons.

7. Any vehicle so constructed that a trailer may by partial super-imposition be attached to it in such a manner as to cause a substantial part of the weight of the trailer to be borne by it.

8. Vehicles built to a specification designed to comply with the conditions of fitness laid down by the Assistant Commissioner for the purposes of the London Cab Order 1934(b).

(a) 1972 c. 20. (b) S.R. & O. 1934/1346 (Rev. XIV p.795: 1934 I, p.1221).

9. Motor caravans, that is to say, vehicles primarily constructed or adapted to provide sleeping accommodation for not less than two persons and having permanently installed equipment for the cooking and consumption of food and for domestic washing.

10. Mechanically propelled three-wheeled road vehicles, not being vehicles constructed or adapted primarily for the purpose of carrying goods.

SCHEDULE 2

Articles 3 *to* 5

Requirements in Relation to Hiring Agreements

1. The agreement is in writing and is for a definite period of not less than the minimum hire period or for an indefinite period.

2. The terms of the agreement are such that:—

(*a*) the rentals for the hire of the goods comprised in the agreement are payable in respect of either weekly, monthly, quarterly or yearly periods;

(*b*) the periods in respect of which the rentals are payable are either all weekly, all monthly, all quarterly or all yearly;

(*c*) the first such period commences on the date on which the agreement is entered into;

(*d*) no rental payable in respect of any period after the expiry of the minimum hire period from the date on which the agreement is entered into is greater than the smallest rental payable in respect of any period during the said minimum hire period;

(*e*) the total amount of the rentals payable under the agreement in respect of each period is ascertainable at the date on which the agreement is entered into; and

(*f*) no rental payable in respect of any period is less than 25 per cent of the highest rental payable in respect of any other period.

3. The terms of the agreement or any related agreement are such that:—

(*a*) no payment is to be made under the agreement or any related agreement by or to any person being a payment (whether described as a rebate of rentals or in any other manner) which is to be ascertained wholly or partly by reference –

(i) to the value or estimated value of the goods comprised in the agreement or any part of them or of goods of the same description, or

(ii) to the price which the goods comprised in the agreement or any part of them will fetch at any time on a sale whether by auction or otherwise, or

(iii) to the price which goods of the same description will fetch at any time on a sale whether by auction or otherwise; and

(*b*) the property in the goods will not be transferred to any person, whether under the agreement or any related agreement.

4.—(1) Before the agreement was entered into actual payment was made in cash or by cheque in respect of the goods comprised in the agreement of not less than the aggregate of:—

(*a*) all the rentals payable for the hire of those goods in respect of the minimum hire period from the date on which the agreement was entered into; and

(*b*) all the charges payable for or in connection with any services (other than the supply of electricity or gas by a corporation established by the Electricity Act

1947 (a) or the Gas Act 1972 (b) to be performed in relation to those goods during the minimum hire period from the date on which the agreement was entered into, being charges payable under that agreement or under any related agreement:

Provided that this sub-paragraph shall not apply to any agreement which is a renewal or extension of an agreement which was entered into for a definite period of not less than the minimum hire period, and such renewal or extension takes effect immediately on the expiry of that period.

(2) In computing for the purposes of sub-paragraph (1) above the amount of which actual payment is required before an agreement is entered into, account may be taken of any sum payable to the hirer by the person letting on hire the goods subject to the agreement on the sale to that person by the hirer of any other goods being respectively a sale made in consideration of the making of that hiring agreement and a sum which is reasonable in relation to the value of the goods sold:

Provided that this sub-paragraph shall not apply in respect of any hiring agreement which comprises wholly or partly any of the goods described in item 1 of Part I of Schedule 1 hereto or a radio-gramophone.

5. The terms of any agreement under which any charges are payable for or in connection with any services (other than the supply of electricity or gas by a corporation referred to in paragraph 4 (1) (*b*) above) to be performed in relation to goods comprised in that agreement or in relation to goods comprised in an agreement in relation to which that agreement is a related agreement are such that:—

(*a*) the charges are payable in respect of either weekly, monthly, quarterly or yearly periods;

(*b*) the periods in respect of which the charges are payable are either all weekly, all monthly, all quarterly or all yearly;

(*c*) the first such period commences on the date on which the agreement is entered into;

(*d*) no charge payable in respect of any period after the expiry of the minimum hire period from the date on which the agreement is entered into is greater than the smallest charge in respect of any period during the said minimum hire period; and

(*e*) the total amount of the rentals payable under the agreement in respect of each period is ascertainable at the date on which the agreement is entered into.

6. In this Schedule "minimum hire period" means in relation to any agreement, the period specified in Part I of Schedule 1 hereto in relation to the description of goods comprised in the agreement or, where more than one description of goods is so comprised, the longer or longest period so specified in relation to those descriptions of goods.

(a) 1947 c.54. (b) 1972 c.60.

Article 18

SCHEDULE 3

TRANSITIONAL PROVISIONS

1. In this Schedule –

"commencement date" means the date on which this Order comes into operation;

"the previous Order" means in relation to any date on or after 18th December 1973 but before the commencement date the Control of Hiring Order 1973 (a), and references to any requirement or provision of the previous Order are references to that requirement or provision as it had effect on that date in relation to agreements made on that date.

2. Nothing in Articles 3 and 5 shall affect the disposal and possession respectively of goods in pursuance of an agreement made on or before 17th December 1973 and those Articles shall have effect in relation to the disposal and possession of goods under an agreement entered into after 17th December 1973 but before the commencement date as if any reference therein to a requirement or provision of Schedule 2 to this Order were a reference to the corresponding requirement or provision of the previous Order.

3. Article 9 (1) shall not prohibit the variation of a hiring agreement or any related agreement entered into on or before 17th December 1973.

4. Nothing in Article 11 shall prohibit the renewal or extension of any agreement entered into on or before 17th December 1973.

Article 19

SCHEDULE 4

ORDERS REVOKED

Orders revoked	References
The Control of Hiring Order 1973.	S.I. 1973/2130 (1973 III, p.7332).
The Control of Hiring (Amendment) Order 1975.	S.I. 1975/712 (1975 I, p.2567).
The Control of Hiring (Amendment No. 2) Order 1975.	S.I. 1975/2140 (1975 III, p.7972).
The Control of Hiring (Amendment) Order 1976.	S.I. 1976/545 (1976 I, p.1616).

(a) S.I. 1973/2130 (1973 III, p. 7332).

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order revokes the Control of Hiring Order 1973, the Control of Hiring (Amendment) Order 1975, the Control of Hiring (Amendment No. 2) Order 1975 and the Control of Hiring (Amendment) Order 1976 and reproduces them with modifications.

The Order controls the disposal and possession of the goods described in the First Schedule under hiring agreements entered into on or after the day the Order comes into operation.

The principal amendments are—

(*a*) cases of the disposal or possession of certain mechanically propelled road vehicles under hiring agreements where the hirer is—

(i) a physically disabled person entitled to a mobility allowance under the Social Security Act 1975 and the Social Security Act (Northern Ireland) 1975 or a specified person acting on his behalf; or

(ii) in possession of a vehicle provided under section 33 of the Health Services and Public Health Act 1968 or under article 30 of the Health and Personal Social Services (Northern Ireland) Order 1972 or is receiving payments under that section or article;

are excluded from the control (article 2(2) and (3));

(*b*) cases of the disposal or possession of goods under hiring agreements for the purpose or in the course of a trade or business carried on by the hirer, are excluded from the control (article 2(4));

(*c*) goods disposed of under a hiring agreement can be replaced by similar goods if the hirer changes his place of residence (article 10(3));

(*d*) the maximum periods of hire in the exclusion relating to the short term hiring of goods other than mechanically propelled road vehicles are varied (article 13(2)(*a*) and (*b*));

(*e*) cases of the disposal or possession of mechanically propelled road vehicles to replace stolen or unroadworthy vehicles under short term hiring agreements are excluded from the control (article 13(2)(*e*) and (*f*));

(*f*) cases of the disposal or possession of used television sets under hiring agreements are excluded from the control (article 13(3));

(*g*) certain mechanically propelled three-wheeled road vehicles are excluded from the control (item 10 of Part II of Schedule 1);

(*h*) the terms of the agreement must be such that the property in the goods does not pass to any person under the agreement or any related agreement (paragraph 3(*b*) of Schedule 2); and

(*i*) payments of advance rental may be made only in cash or by cheque (paragraph 4(1) of Schedule 2).

The Order also makes some changes of a drafting nature.

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