STATUTORY INSTRUMENTS

1975 No. 711

HIRE-PURCHASE

The Hire-Purchase and Credit Sale Agreements (Control) (Amendment No. 2) Order 1975

Made - - - -	28*th April* 1975
Laid before Parliament	29*th April* 1975
Coming into Operation	1*st May* 1975

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 her in that behalf, hereby orders as follows:—

1. This Order may be cited as the Hire-Purchase and Credit Sale Agreements (Control) (Amendment No. 2) Order 1975 and shall come into operation on 1st May 1975.

2. The Hire-Purchase and Credit Sale Agreements (Control) Order 1973**(b)**, as amended **(c)**, shall have effect subject to the following amendments—

(*a*) the following paragraph shall be inserted after paragraph (3) of Article 8—

" (4) Nothing in this Article shall prohibit the replacement of goods comprised in an agreement (hereinafter called 'the replaced goods') by new goods of the same description (hereinafter called 'the substituted goods') provided that:—

(i) the replaced goods were themselves new at the date of the agreement and within 12 months of that date were stolen, destroyed or so damaged as to be unrepairable, and

(ii) from the date of the substitution, the terms of the agreement apply to the substituted goods as they applied to the replaced goods."

(*b*) in Part I of Schedule 1—

(i) for item 7 there shall be substituted the following:—

"7. Floor coverings ... ... 20 24"

(ii) in item 19 after the words "mechanically propelled road vehicles having three or more wheels" there shall be inserted, for the avoidance of doubt, the words " (not being motor cycles or mopeds with sidecars attached)".

(*c*) in paragraph 10(1) of Schedule 3 after the words "mattresses and overlays" there shall be inserted the words "floor coverings".

Alan Williams,

Minister of State,
Department of Prices and Consumer Protection.

28th April 1975.

(a) 1964 c. 60. **(b)** S.I. 1973/2129 (1973 III, p. 7318).

(c) The amending Order is not relevant to the subject matter of this Order.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order amends the Hire-Purchase and Credit Sale Agreements (Control) Order 1973 as amended. The changes are as follows:—

(1) The variation of a hire-purchase or credit sale agreement by the substitution of goods for the goods already comprised in the agreement is no longer prohibited provided that (*a*) the substituted goods are of the same description as the goods replaced, (*b*) the substitution is made within 12 months of the date of the hire-purchase or credit sale agreement and (*c*) the substitution is for the purpose only of replacing goods which were new at that date and which have been stolen, destroyed or so damaged as to be unrepairable.

(2) The deposit required to be paid before entering into hire-purchase and credit sale agreements for floor coverings has been reduced from 33⅓ per cent to 20 per cent.

(3) For the avoidance of doubt, motor cycles and mopeds with sidecars attached are explicitly exempted from the provisions of the Order.

(4) A person may now obtain floor coverings under a hire-purchase or credit sale agreement without paying a deposit if the agreement is in substitution for an existing agreement comprising certain specified descriptions of goods such as furniture, comprises some or all of those goods together with the floor coverings added thereto, and the cash price of the floor coverings does not exceed the total amount already paid under the replaced agreement. (If, however, there is an excess the deposit is calculated by reference to the excess only). Certain other requirements have to be fulfilled and, in particular, at least 25 per cent of the total amount payable under the replaced agreement has to have been paid before the substituted agreement is entered into.

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