STATUTORY INSTRUMENTS

1977 No. 771

HIRE PURCHASE

The Hire-Purchase and Credit Sale Agreements (Control) (Amendment) 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:—

1. This Order may be cited as the Hire-Purchase and Credit Sale Agreements (Control) (Amendment) Order 1977 and shall come into operation on 1st June 1977.

2. The Hire-Purchase and Credit Sale Agreements (Control) Order 1976(b) is hereby varied—

(*a*) in article 1(2), in the definition of "short-term credit sale agreement", by the substitution for the word "nine" of the word "ten";

(*b*) by the insertion in article 1(2), after the definition of "short-term credit sale agreement", of the following definition:—

" "short-term hire-purchase agreement" means a hire-purchase agreement under which the hirer may buy the goods or under which the property in the goods will or may pass to the hirer not later than the expiry of the ten-month period commencing with the date of the agreement.";

(*c*) by the insertion after article 2(2)(*c*) of the following sub-paragraph—

"(*cc*) 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(c) (which relates to vehicles for persons suffering from physical defect or disability) or receiving payments in pursuance of subsection (3) of that section; or";

(*d*) in article 2(2)(*d*), by the substitution for "(*c*)" of "(*cc*)";

(*e*) in the proviso to article 2(2), by the substitution for "article" of "paragraph";

(a) 1964 c. 60. (b) S.I. 1976/1135 (1976 II, p. 3108). (c) 1968 c. 46.

(*f*) by the insertion after article 2(3)(*c*) of the following sub-paragraph—

"(*d*) in sub-paragraph (*cc*) 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(**a**)";

(*g*) by the insertion after article 2(3) of the following paragraphs—

"(4) This Order does not apply to the disposal or to the possession of goods in pursuance of a hire-purchase or credit sale 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 or purchaser.

(5) This Order does not apply to the disposal or to the possession of any goods of any of the descriptions specified in Part I of Schedule 1 hereto in pursuance of a credit sale agreement if the whole of the cash price under that agreement is paid by way of an agreement for running-account credit the terms of which are such that—

(i) the amount of the debit balance outstanding is ascertained at monthly intervals, and

(ii) not later than twentyfive days after each occasion on which that amount is ascertained, payment is to be made of not less than the greater of £6 and 15 per cent of that amount:

and in this paragraph, "running-account credit" has the same meaning as it has for the purposes of the Consumer Credit Act 1974(**b**).";

(*h*) by the insertion in article 10(1), after the words "short-term credit sale agreement", of the words "or short-term hire-purchase agreement";

(*i*) by the insertion in article 10(4), after the words "short-term credit sale agreement", of the words "or short-term hire-purchase agreement"; and

(*j*) by the insertion in paragraph 3(1) of Schedule 2, after the words "actual payment was made", of the words "in cash or by cheque".

John Fraser,

Minister of State,

Department of Prices and Consumer Protection

2nd May 1977.

(**a**) S.I. 1972/1265 (N.I. 14). (**b**) 1974 c. 39.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order amends the Hire-Purchase and Credit Sale Agreements (Control) Order 1976. The principal changes are—

(*a*) the period of duration of a short-term credit sale agreement is extended from nine to ten months (article 2(*a*));

(*b*) the exclusion in article 2(2) is extended to include cases where the hirer or purchaser is 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 Social Services (Northern Ireland) Order 1972 or is receiving payments under that section or article (article 2(*c*), (*d*) and (*f*));

(*c*) cases of the disposal or possession of goods under hire-purchase or credit sale agreements for the purpose or in the course of a trade or business carried on by the hirer or purchaser are excluded from the control (article 2(*g*));

(*d*) cases of the disposal or possession of goods under a credit sale agreement where the cash price is paid by way of an agreement for running-account credit the terms of which are such that specified payments must be made are excluded from the control (article 2(*g*));

(*e*) short-term hire-purchase agreements are excluded from the provisions of articles 3 to 6 of the principal Order (article 2(*b*) and (*h*)); and

(*f*) payments of deposits may be made only in cash or by cheque (article 2(*j*)).

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