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STATUTORY INSTRUMENTS

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**2009 No. 0000**

**CONSUMER CREDIT**

**Consumer Credit (Disclosure of Information) Regulations 2009**

*Made* - - - - \*\*\*  
*Laid before Parliament* \*\*\*  
*Coming into force* - - 11<sup>th</sup> June 2010

The Secretary of State makes these regulations in exercise of the powers conferred by sections 55, 182(2) and 189(1) of the Consumer Credit Act 1974(a).

**Citation, commencement and interpretation**

1. These Regulations may be cited as the Consumer Credit (Disclosure of Information) Regulations 2009 and shall come into force on 11 June 2010.

2. (1) In these Regulations —

“the 2004 Regulations” mean the Consumer Credit (Disclosure of Information) Regulations 2004;

“the Act” means the Consumer Credit Act 1974;

“the APR” means the annual percentage rate of charge for credit determined in accordance with regulation 3(6), Schedule 2 to these Regulations and the Total Charge for Credit Regulations;

“borrowing rate” means the interest rate expressed as a fixed or variable percentage applied on an annual basis to the amount of credit drawn down;

“cash price” in relation to any goods, services, land or other things, means the price or charge at which the goods, services, land or other things may be purchased by, or supplied to, the debtor for cash;

“credit intermediary” has the same meaning as in section 54A of the Act;

“distance contract” means any regulated agreement made under an organised distance sales or service-provision scheme run by the creditor or by an intermediary of the creditor who, in any such case, for the purpose of that agreement makes exclusive use of one or more means of distance communication up to and including the time at which the agreement is made and for this purpose any means of communication is a means of distance communication if, without the simultaneous physical presence of the creditor or any intermediary of the creditor and of the debtor, it may be used for the distance marketing of a regulated agreement between the parties to that agreement;

“new customer” means a person who has not entered into a pawn agreement with the creditor within the preceding 3 years of the proposed pawn agreement;

“pawn agreement” means a consumer credit agreement under which the creditor takes an article in pawn;

“total amount of credit” means the credit limit or the total sums made available under a consumer credit agreement;

“total amount payable” means the sum of the total charge for credit and the total amount of credit;

“total charge for credit” means the total charge for credit determined in accordance with the Total Charge for Credit Regulations; and

“the Total Charge for Credit Regulations” means the Consumer Credit (Total Charge for Credit) Regulations 2009.

- (2) In these Regulations, any reference to a repayment is a reference to—
- (a) a repayment of the whole or any part of the credit;
  - (b) a payment of the whole or any part of the total charge for credit; or
  - (c) a combination of such repayments and payments.

### **Agreements to which these Regulations apply**

2—(1) These Regulations apply in respect of regulated consumer credit agreements except as provided for in paragraphs (2) and (3).

- (2) Except to the extent that regulation 3(3) applies, these Regulations do not apply to—
- (a) agreements secured on land;
  - (b) distance contracts;
  - (c) agreements under which the creditor provides the debtor with credit exceeding £100,000;
  - (d) agreements entered into by the debtor wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by him;
  - (e) cancellable agreements.
- (3) These Regulations do not apply to pawn agreements except where —
- (a) the creditor has received a request from the debtor for information about the prospective agreement, or
  - (b) the debtor is a new customer.

### **Information to be disclosed to a debtor before a regulated agreement is made** [Subject to regulation 6]

3. (1) In good time before a regulated consumer credit agreement is made, the creditor shall disclose to the debtor, in the manner set out in regulation 4, the information specified in paragraph (5) (“the pre-contractual information”).

- (2) Paragraph (1) does not require a creditor to provide the pre-contractual information where it has already been provided to the debtor by a credit intermediary in accordance with that paragraph.
- (3) A creditor may provide the pre-contractual information in accordance with these Regulations in respect of agreements referred to in regulation 2(2)(a),(c),(d) and (e) in which case these Regulations shall apply instead of the 2004 regulations.
- (4) In good time before a pawn agreement is made (unless the debtor is a new customer), the creditor must inform the debtor of his right to receive the pre-contractual information on request.
- (5) For the purposes of these Regulations, the pre-contractual information means—
- (a) the type of credit to be provided under the agreement;

- (b) the identity and geographical address of the creditor and (if applicable) of the credit intermediary;
- (c) the total amount of credit to be provided under the agreement and the conditions governing the drawdown of credit. In the case of agreements for running account credit, the total amount of credit may be expressed as a statement indicating the manner in which the credit limit will be determined where it is not practicable to express the limit as a sum of money.
- (d) the duration or minimum duration of the credit agreement or a statement that the agreement has no fixed or minimum duration;
- (e) In the case of-
  - (i) credit in the form of deferred payment for specific goods or services, or
  - (ii) linked credit agreements,a description of the goods, services, land or other things and the cash price of each and the total cash price;
- (f) the borrowing rate, the conditions governing the application of that rate and, where available, any index or reference rate applicable to the initial borrowing rate, as well as the periods, conditions and procedure for varying the borrowing rate; and if different borrowing rates apply in different circumstances, the above information in respect of all the applicable rates;
- (g) the APR and the total amount payable illustrated (if not known) by way of a representative example mentioning all the assumptions used in order to calculate that rate and amount;
- (h) the amount, number (if applicable) and frequency of repayments to be made by the debtor and, where appropriate, the order in which repayments will be allocated to different outstanding balances charged at different borrowing rates. In the case of agreements for running account credit, the amount of each repayment shall be expressed as- (a) a sum or money; (b) a specified proportion of a specified amount; (c) a combination of (a) or (b) above; or (d) in a case where the amount of any repayment cannot be expressed in accordance with (a), (b) or (c) above, a statement indicating the manner in which the amount will be determined;
- (i) if applicable, any charges for maintaining an account recording both payment transactions and draw downs, unless the opening of an account is optional, and any charge payable for using a method of payment in respect of payment transactions or draw downs;
- (j) any other charges payable deriving from the credit agreement and the conditions under which those charges may be changed;
- (k) if applicable, a statement that fees will be payable by the debtor to a notary on conclusion of the credit agreement;
- (l) the obligation, if any, to enter into a contract for ancillary services relating to the consumer credit agreement, in particular insurance services, where the conclusion of such a contract is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed;
- (m) the interest rate applicable in the case of late or missed payments and the arrangements for its adjustment, and, where applicable, any charges payable for default;
- (n) a warning regarding the consequences of missing payments (for example, the possibility of legal proceedings and the possibility that the debtor's home may be repossessed);
- (o) where applicable, any security or guarantee to be provided by the debtor OFT;
- (p) the existence or absence of a right of withdrawal;
- (q) the debtor's right of early repayment, and where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined;

- (r) the debtor's right to be informed, immediately and free of charge, in accordance with section 157(5) of the Act, of information obtained from a credit reference agency;
  - (s) details of the debtor's right to be supplied under section 61A of the Act on request and free of charge, with a copy of the draft agreement (except where the creditor is at the time of the request unwilling to proceed to the making of the agreement);
  - (t) if applicable, the period of time during which the creditor is bound by the pre-contractual information.
- (6) For the purposes of the representative example in paragraph (5)(g)—
- (a) (i) where the debtor has informed the creditor or credit intermediary of one or more components of his preferred credit, such as the duration of the consumer credit agreement or the total amount of credit; and
    - (ii) where the creditor would in principle agree to offer credit on such terms;the creditor or credit intermediary shall take those components into account when calculating the representative APR and total amount payable.
  - (b) (i) where consumer credit agreements provide for different ways of drawdown with different charges or borrowing rates; and
    - (ii) where the creditor uses the assumption set out in regulation 5(g) of the Total Charge for Credit Regulations 2009;the creditor shall indicate that other drawdown mechanisms for this type of consumer credit agreement may result in a higher APR.
- (7) In the case of a consumer credit agreement under which repayments do not give rise to an immediate reduction in the total amount of credit advanced but are used to constitute capital as provided for under the agreement or ancillary agreement, the creditor or credit intermediary shall provide a clear and concise statement that the agreement does not provide for a guarantee of repayment of the total amount of credit drawn down under the credit agreement unless such a guarantee is given.

#### **Manner of disclosure**

- 4.- (1) The standard information shall be disclosed using the form contained in Schedule 1.
- (2) The form must be contained in a document which is—
- (a) in writing,
  - (b) of a nature that enables the debtor to remove it from the place where it is disclosed to him.
- (3) The form shall be completed in the following manner-
- (a) the relevant pre-contractual information shall be provided in the appropriate row;
  - (b) the form shall be completed in accordance with any footnote or asterisk;
  - (c) the asterisks and footnotes may be deleted;
  - [(d) any text in italic font may be reproduced in non italic font;]
  - [(e) gridlines and boxes may be omitted; and ]
  - [(f) any information contained in the form shall be easily legible.]
- (4) Any additional information for the debtor provided in writing by the creditor or credit intermediary shall be contained in a document which is separate from the document embodying the form.

#### **Modifying agreements**

5(1) This regulation applies to modifying agreements.

(2) Where a modifying agreement modifies an earlier consumer credit agreement, the requirements of regulation 3(1) shall be deemed to be satisfied if, in good time before the modifying agreement is made, –

- (a) the information specified by regulation 3(5) is disclosed to the debtor in respect of any provision of the earlier agreement which is varied or supplemented; and
- (b) a statement is provided to the debtor indicating that any other information in the earlier agreement remains unchanged.

#### **Agreements falling within section 74(1)(b)(i) of the Act**

6(1) Subject to paragraph (4), in respect of an agreement falling within section 74(1)(b)(i) of the Act, the creditor shall disclose to the debtor the following information in good time before the agreement is made–

- (a) the type of credit;
- (b) the identity and geographical address of the creditor and, where applicable, of the credit intermediary involved;
- (c) the total amount of credit;
- (d) the duration of the agreement;
- (e) the borrowing rate, the conditions governing the application of that rate, any index or reference rate applicable to the initial borrowing rate as well as the periods, conditions and procedure for changing the borrowing rate and if different borrowing rates apply in different circumstances, the above information in respect of all the applicable rates;
- (f) the conditions and procedure for terminating the agreement;
- (g) where applicable, an indication that the debtor may be requested to repay the amount of credit in full on demand at any time;
- (h) the interest rate applicable in the case of late payments and the arrangements for its adjustment, and, where applicable, any charges payable for default;
- (i) the debtor's right to be informed, immediately and free of charge, in accordance with section 157(5) of the Act, of information obtained from a credit reference agency;
- (j) the charges applicable from the time the agreement is made and, where applicable, the conditions under which those charges may be changed;
- (k) if applicable, the period of time during which the creditor is bound by the pre-contractual information.

(2) The information required by paragraph (1) shall be provided in writing and all information shall be equally prominent.

(3) The information required by paragraph (1) may be provided by means of the European Consumer Credit Information form set out in Schedule 3 to these Regulations.

(4) Where the debtor requests that [the overdraft] be made available with immediate effect, only the information at paragraph (1)(c), (e), (g) and (j) shall be required, in which case it may be provided orally.

(5) Where the information required by this regulation is not provided the agreement shall be deemed to be improperly executed for the purposes of section 65 of the Act.

Date

*Name*  
Minister for Further Education, Skills, Apprenticeships and Consumer Affairs  
Department for Business Innovation and Skills

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**Schedule 1**

**STANDARD EUROPEAN CONSUMER CREDIT INFORMATION**

**1. Identity and contact details of the creditor/credit intermediary**

Creditor	[Identity]
Address	[Geographical address to be used by the debtor]
Telephone number (*)	
E-mail address (*)	
Fax number(*)	
Web address (*)	

If applicable	[Identity]
Credit intermediary	[Geographical address to be used by the debtor]
Address	
Telephone number (*)	
E-mail address (*)	
Fax number (*)	
Web address (*)	

(\*) This information is optional for the creditor. The row may be deleted if the information is not provided.

Footnote 1: Wherever 'if applicable' is indicated, the creditor must fill in the box if the information is relevant to the credit product or, if the information is not relevant for the type of credit considered, delete the respective information or the entire row or indicate that the information is not applicable.

Footnote 2: Indications between square brackets provide explanations for the creditor and must be replaced with the corresponding information.

**2. Description of the main features of the credit product**

The type of credit	
The total amount of credit <i>This means the credit limit or the total sums made available under the credit agreement</i>	[In the case of running account credit, the total amount of credit may be expressed as a statement indicating the manner in which the credit ceiling will be determined where it is not practicable to express the information as a sum of money]]
How and when you will obtain the money.	[Details of how and when any credit being advanced is to be obtained]

The duration of the agreement	[The duration or minimum duration of the agreement or a statement that the agreement has no fixed or minimum duration]
Repayments and, where appropriate, the order in which the repayments will pay off what you owe	[The amount, number (if applicable) and frequency of repayments to be made by the consumer, and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates]
The total amount you will have to pay. <i>This means the amount you have borrowed plus interest and any costs (where known) related to your borrowing.</i>	[Sum of total amount of credit and total charge for credit, illustrated by way of a representative example where necessary]
If applicable The credit is granted in the form of a deferred payment for goods or services or is linked to the supply of goods or the provision of a service.	[Description of goods/services and the cash price]
Description of goods or services	
Cash price	
If applicable Security required This is a description of the security you must provide in order to obtain the credit	[Nature and description of security]
If applicable <i>Repayments will not immediately reduce the amount you owe</i>	[in the case of a credit agreement under which payments do not give rise to an immediate reduction in the total amount of credit advanced but are used to constitute capital as provided, a clear and concise statement that the agreement does not provide for a guarantee of the repayment of the total amount of credit]

drawn down under the credit agreement unless such a guarantee is given]

### 3. Costs of the credit

The borrowing rate(s)

[Details of all borrowing rates which apply to the credit agreement, whether the rate is fixed or variable, the conditions governing the application of that rate and where available, any index or reference rate applicable to the initial borrowing rate, as well as periods, conditions and procedure for varying the borrowing rate. If different borrowing rates apply in different circumstances, the above information in respect of all the applicable rates. If credit is provided free of interest then this should be stated here]

Annual Percentage Rate of Charge (APR)

*This is the total cost expressed as an annual percentage of the total amount of credit.*

*The APR is there to help you compare different offers.*

If applicable:

In order to obtain the credit or to obtain it on the terms and conditions marketed, you must take out

- an insurance policy securing the credit, or
- another ancillary service contract

*If we do not know the costs of these services they are not included in the APR.*

**b**

If applicable

You must have one or more accounts for recording both payment transactions and drawdowns

[%. If the APR is not known a representative example mentioning all the assumptions used for calculating the rate to be set out here. .]

[Nature, description and costs<sup>a</sup> of any insurance or other ancillary service contract required]

[Details of any account that the creditor requires to be set up in order to obtain the credit]

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<sup>a</sup> We are unclear what the related costs are intended to refer to. We have asked the Commission if it is intended that these costs relate to the ancillary services described in this section.

<sup>b</sup> See footnote 1

If applicable

Any additional charge for making repayments by [specify means of payment]

[Amount of charge]

If applicable

Any other costs deriving from the credit agreement

[Description and amount of other charges not already set out in the standard information form]

If applicable

Conditions under which the above costs related to the credit agreement can be changed

[Details of the conditions under which the charges mentioned above can be changed ]

If applicable

Requirement to pay notarial fees

[Description and amount of any fee]

Charges for missed or late payments

[applicable interest rate and arrangements for its adjustment and, where applicable, default charges) for missing payments].

(2) [A statement warning about the consequences of missing payments, including, for example, a reference to possible legal proceedings and the possibility that the debtor's home may be repossessed and the possibility of missing payments making it more difficult to obtain credit.]

#### 4. Other important legal aspects

Right of withdrawal

*You have the right to cancel this credit agreement within a period of 14 calendar days.*

[Yes/no. If yes, instructions for withdrawal including: the period for exercising the right, the address to which notification should be sent]

Early repayment

*You have the right to repay all or part of the credit early at any time.*

[detail on early repayment rights]

If applicable

Charges payable in the case of early repayment

[Determination of the compensation (calculation method) in accordance with

Consultation with a credit reference  
agency

*We must inform you immediately and  
without charge of the result of a  
consultation with a credit reference  
agency reject if your credit application is  
rejected on the basis of such a  
consultation*

Right to a draft credit agreement

*You have the right, upon request, to a  
copy of the draft credit agreement free of  
charge, unless we are unwilling at the  
time of your request to proceed to the  
conclusion of the credit agreement with  
you*

If applicable

The period of time during which the  
creditor is bound by the pre-contractual  
information

[Detail of the period of time during which  
the creditor is bound by the pre-  
contractual information. Creditors to have  
the option to say here that they are not  
bound by the pre contractual information]

...

If applicable

## 5. Additional information in the case of distance marketing of financial services

(a) concerning the creditor

If applicable	[i.e. where different from section1]
Our representative in your Member State of residence	[Identity]
Address	[Geographical address to be used by the consumer]
Telephone number (*)	
E-mail address (*)	
Fax number (*)	
Web address (*)	
If applicable	
Registration	[The trade register in which the creditor is entered and his registration number or an equivalent means of identification in that register]
If applicable	
The supervisory authority	
(b) concerning the credit agreement	
If applicable	
Exercise of the right of withdrawal	[Practical instructions for cancelling the agreement indicating, amongst other things, , the period for exercising the right, the address to which notification of exercise of the right should be sent and the consequences of non-exercise of that right]
If applicable	
Law applicable before conclusion of your credit agreement	[The law taken by the creditor as a basis for the establishment of relations with you before the conclusion of the credit contract]
If applicable	
Law applicable to your credit agreement	[Relevant clause to be set out here]]
If applicable	
Language to be used in connection with your agreement	[Details of the language that the information and contractual terms will be supplied in and used during the duration of the credit agreement.]

(c) redress

Access to out-of-court complaint and redress mechanism

[Whether or not there is an out-of-court complaint and redress mechanism for the consumer who is party to the distance contract and, if so, the methods of access to it]

(\*) This information is optional for the creditor.

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PROVISIONS RELATING TO CALCULATION AND DISCLOSURE OF APR

**Assumptions about running-account credit**

1. In the case of an agreement for running-account credit, the assumption in paragraph (a) below shall have effect for the purpose of calculating the APR in place of any assumptions in regulation 5(o) the Total Charge for Credit Regulations that might otherwise apply—

- (a) in a case where credit is to be provided subject to a credit limit of less than £1,200, an amount equal to that limit.

**Permissible tolerances in disclosure of an APR**

2. For the purposes of these Regulations, it shall be sufficient compliance with the requirement to show an APR if there is included in the advertisement—

- (a) a rate which exceeds the APR by not more than one, or
- (b) a rate which falls short of the APR by not more than 0.1,

or in a case to which paragraph 3 or 4 of this Schedule applies, a rate determined in accordance with those paragraphs or whichever of them applies to that case.

**Tolerance where repayments are nearly equal**

3. 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 an advertisement relating to the agreement a rate found under regulation 7 of the Total Charge for Credit Regulations 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 is greater than interval between repayments**

4. In the case of an agreement under which—
- (a) three or more repayments are to be made at equal intervals, and
  - (b) the interval between the relevant date and the first repayment is greater than the interval between the repayments,

there may be included in the advertisement relating to the agreement a rate found under regulation 7 of the 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.

## SCHEDULE 3

Regulation 6

## EUROPEAN CONSUMER CREDIT INFORMATION FOR OVERDRAFTS

**1. Identity and contact details of the creditor/credit intermediary**

Creditor Address Telephone number [*] Email address [*] Fax number [*] Web address [*]	[Identity] [Geographical address to be used by the debtor]
If applicable: Credit intermediary Address Telephone number [*] E-mail number [*] Fax number [*] Web address [*]	[Identity] [Geographical address to be used by the debtor]
*This information is optional for the creditor.	

Wherever ‘if applicable’ is indicated, the creditor must fill in the box if the information is relevant to the credit product or delete the respective information or the entire row if the information is not relevant for the type of credit considered.

Indications between square brackets provide explanations for the creditor and must be replaced with the corresponding information.

**2. Description of the main features of the credit product**

The type of credit	
The total amount of credit <i>This means the total amount available under the agreement or the credit limit.</i>	
The duration of the credit agreement	
If applicable: You may be requested to repay the amount of credit in full on demand at any time.	

### 3. Costs of the credit

The borrowing rate or, if applicable, different borrowing rates which apply to the credit agreement	[% – fixed or, – variable (with the index or reference rate applicable to the initial borrowing rate)]
If applicable: Costs If applicable: The conditions under which those costs may be changed	[The costs applicable from the time the credit agreement is concluded]
Costs in the case of late payments	You will be charged [...(applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for missing payments.

### 4. Other important legal aspects

Termination of the credit agreement	[The conditions and procedure for terminating the credit agreement]
Consultation with a credit reference agency <i>We must inform you immediately and without charge of the result of a consultation with a credit reference agency if your credit application is rejected on the basis of such a consultation.</i>	
If applicable: The period of time during which the creditor is bound by the pre-contractual information	This information is valid from ... until ...

If applicable

### 5. Additional information to be given in the case of distance marketing of financial services

(a) concerning the creditor	
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<p>If applicable:                  Our representative in your Member State of residence                  Address                  Telephone number [*]                  E-mail address [*]                  Fax number [*]                  Web address [*]</p>	<p>[Identity]                  [Geographical address to be used by the debtor]</p>
<p>If applicable:                  Registration</p>	<p>[The trade register in which the creditor is entered and his registration number or an equivalent means of identification in that register]</p>
<p>If applicable:                  The supervisory authority</p>	
<p>(b) concerning the credit agreement</p>	
<p>If applicable:                  Law applicable before the conclusion of your credit agreement</p>	
<p>If applicable:                  Law applicable to your credit agreement</p>	<p>[Clause stipulating the governing law applicable to the credit agreement and/or the competent court ]</p>
<p>If applicable:                  Language to be used in connection with your agreement</p>	<p>[Details of the language that the information and contractual terms will be supplied in and used during the duration of the credit agreement]</p>
<p>(c) redress</p>	
<p>Existence of and access to out-of-court complaint and redress mechanism</p>	<p>[Whether or not there is an out-of-court complaint and redress mechanism for the debtor who is party to the distance contract and, if so, the methods of access to it]</p>
<p>[*] This information is optional for the creditor</p>	