

Restrictions on provision of credit card cheques

- (1) The Consumer Credit Act 1974 (“the CCA 1974”) is amended as follows.
- (2) After section 51 insert –

“51A Restrictions on provision of credit card cheques

- (1) A person who provides credit card cheques otherwise than in accordance with this section commits an offence.
- (2) Credit card cheques may be provided only to a person who has asked for them.
- (3) They may be provided only on a single occasion in respect of each request that is made.
- (4) The number of cheques provided in respect of a request must not exceed three (or, if less, the number requested).
- (5) Where a single request is made for the provision of credit card cheques in connection with more than one credit-token agreement, subsections (3) and (4) apply as if a separate request had been made in relation to each agreement.
- (6) Where more than one request for the provision of cheques is made in the same document or at the same time –
 - (a) they may be provided in respect of only one of the requests, but
 - (b) if the requests relate to more than one credit-token agreement, in relation to each agreement they may be provided only in respect of one of the requests made in relation to that agreement.
- (7) “Credit card cheque” means a cheque (whether or not drawn on a banker) which, whenever used, will result in the provision of credit under a credit-token agreement.
- (8) Accordingly, “credit card cheque” does not include a cheque to be used only in connection with a current account.

51B Section 51A: exemption for business

- (1) Section 51A does not apply to credit card cheques provided in connection with a credit-token agreement that is entered into by the debtor wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by the debtor.

(2) If a credit-token agreement includes a declaration made by the debtor to the effect that the agreement is entered into as mentioned in subsection (1), the agreement is treated for the purposes of that subsection as having been so entered into.

(3) Subsection (2) does not apply if, when the agreement is entered into.

(a) the creditor, or

(b) any person who has acted on behalf of the creditor in connection with the entering into of the agreement, knows, or has reasonable cause to suspect, that the agreement is not entered into as mentioned in subsection (1).

(4) The Secretary of State may by order make provision about the form, content and signing of declarations for the purposes of subsection (2).

(5) Where an agreement has two or more creditors, references in subsection (3) to the creditor are to any one or more of them.”

(3) In Schedule 1 (prosecution and punishment of offences), after the entry relating to section 51(1) insert.

“51A(1) Breach of restrictions on provision of credit card cheques.	(a) Summarily.	The statutory maximum.
	(b) On indictment.	A fine.”

(4) An offence under section 51A of the CCA 1974 is to be treated for the purposes of Part 3 of the Regulatory Enforcement and Sanctions Act 2008 (civil sanctions) as contained in the CCA 1974 immediately before the day on which that Act of 2008 was passed.

