



Hire Purchase Act 1964

1964 CHAPTER 53

[^{F1}PART III

TITLE TO MOTOR VEHICLES ON HIRE-PURCHASE OR CONDITIONAL SALE

[^{F1}27 Protection of purchasers of motor vehicles.

- (1) This section applies where a motor vehicle has been bailed or (in Scotland) hired under a hire-purchase agreement, or has been agreed to be sold under a conditional sale agreement, and, before the property in the vehicle has become vested in the debtor, he disposes of the vehicle to another person.
- (2) Where the disposition referred to in subsection (1) above is to a private purchaser, and he is a purchaser of the motor vehicle in good faith without notice of the hire-purchase or conditional sale agreement (the “relevant agreement”) that disposition shall have effect as if the creditor’s title to the vehicle has been vested in the debtor immediately before that disposition.
- (3) Where the person to whom the disposition referred to in subsection (1) above is made (the “original purchaser”) is a trade or finance purchaser, then if the person who is the first private purchaser of the motor vehicle after that disposition (the “first private purchaser”) is a purchaser of the vehicle in good faith without notice of the relevant agreement, the disposition of the vehicle to the first private purchaser shall have effect as if the title of the creditor to the vehicle had been vested in the debtor immediately before he disposed of it to the original purchaser.
- (4) Where, in a case within subsection (3) above—
 - (a) the disposition by which the first private purchaser becomes a purchaser of the motor vehicle in good faith without notice of the relevant agreement is itself a bailment or hiring under a hire-purchase agreement, and
 - (b) the person who is the creditor in relation to that agreement disposes of the vehicle to the first private purchaser, or a person claiming under him, by transferring to him the property in the vehicle in pursuance of a provision in the agreement in that behalf,

Changes to legislation: There are currently no known outstanding effects for the Hire Purchase Act 1964, Section 27. (See end of Document for details)

the disposition referred to in paragraph (b) above (whether or not the person to whom it is made is a purchaser in good faith without notice of the relevant agreement) shall as well as the disposition referred to in paragraph (a) above, have effect as mentioned in sub-section (3) above.

- (5) The preceding provisions of this section apply—
- (a) notwithstanding anything in [^{F2}section 21 of the ^{M1}Sale of Goods Act 1979] (sale of goods by a person not the owner), but
 - (b) without prejudice to the provisions of the Factors Acts (as defined by [^{F3}section 61(1) of the said Act of 1979] or of any other enactment enabling the apparent owner of goods to dispose of them as if he were the true owner.
- (6) Nothing in this section shall exonerate the debtor from any liability (whether criminal or civil) to which he would be subject apart from this section; and, in a case where the debtor disposes of the motor vehicle to a trade or finance purchaser, nothing in this section shall exonerate—
- (a) that trade or finance purchaser, or
 - (b) any other trade or finance purchaser who becomes a purchaser of the vehicle and is not a person claiming under the first private purchaser,
- from any liability (whether criminal or civil) to which he would be subject apart from this section.]

Textual Amendments

- F1** Part III substituted by [Consumer Credit Act 1974 \(c. 39, SIF 60\)](#), s. 192, **Sch. 4 Pt. I para. 22**
- F2** Words substituted by [Sale of Goods Act 1979 \(c. 54, SIF 109:1\)](#), s. 63, **Sch. 2 para. 4(a)**
- F3** Words substituted by [Sale of Goods Act 1979 \(c. 54, SIF 109:1\)](#), s. 63, **Sch. 2 para. 4(b)**
-

Marginal Citations

- M1** [1979 c. 54\(109:1\)](#).

Changes to legislation:

There are currently no known outstanding effects for the Hire Purchase Act 1964, Section 27.