



Consumer Credit Act 1974

1974 CHAPTER 39

PART II

CREDIT AGREEMENTS, HIRE AGREEMENTS AND LINKED TRANSACTIONS

10 Running-account credit and fixed-sum credit.

- (1) For the purposes of this Act—
- (a) running-account credit is a facility under a [^{F1}consumer] credit agreement whereby the debtor is enabled to receive from time to time (whether in his own person, or by another person) from the creditor or a third party cash, goods and services (or any of them) to an amount or value such that, taking into account payments made by or to the credit of the debtor, the credit limit (if any) is not at any time exceeded; and
 - (b) fixed-sum credit is any other facility under a [^{F1}consumer] credit agreement whereby the debtor is enabled to receive credit (whether in one amount or by instalments).
- (2) In relation to running-account credit, “credit limit ” means, as respects any period, the maximum debit balance which, under the credit agreement, is allowed to stand on the account during that period, disregarding any term of the agreement allowing that maximum to be exceeded merely temporarily.
- (3) For the purposes of [^{F2}any provision of this Act that specifies an amount of credit (except section 17(1)(a))], running-account credit shall be taken not to exceed the amount specified in [^{F3}that provision] (“the specified amount ”) if—
- (a) the credit limit does not exceed the specified amount; or
 - (b) whether or not there is a credit limit, and if there is, notwithstanding that it exceeds the specified amount,—
 - (i) the debtor is not enabled to draw at any one time an amount which, so far as (having regard to section 9(4)) it represents credit, exceeds the specified amount, or
 - (ii) the agreement provides that, if the debit balance rises above a given amount (not exceeding the specified amount), the rate of the total

Changes to legislation: Consumer Credit Act 1974, Section 10 is up to date with all changes known to be in force on or before 19 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

charge for credit increases or any other condition favouring the creditor or his associate comes into operation, or
(iii) at the time the agreement is made it is probable, having regard to the terms of the agreement and any other relevant considerations, that the debit balance will not at any time rise above the specified amount.

Textual Amendments

- F1** Word in s. 10(1) substituted (6.4.2008) by [Consumer Credit Act 2006 \(c. 14\)](#), ss. {5(2)(a)}, 71(2); [S.I. 2007/3300](#), [art. 3\(2\)](#), [Sch. 2](#)
- F2** Words in s. 10(3) substituted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), [regs. 44\(a\)](#), [99\(1\)](#) (with [regs. 100](#), [101](#))
- F3** Words in s. 10(3) substituted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), [regs. 44\(b\)](#), [99\(1\)](#) (with [regs. 100](#), [101](#))

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 25(2A)(b)(ia) inserted by [2010 c. 28 Sch. 2 para. 36](#)