



# Consumer Credit Act 1974

## 1974 CHAPTER 39

### PART VII

#### DEFAULT AND TERMINATION

##### *Termination of agreements*

#### **101 Right to terminate hire agreement.**

- (1) The hirer under a regulated consumer hire agreement is entitled to terminate the agreement by giving notice to any person entitled or authorised to receive the sums payable under the agreement.
- (2) Termination of an agreement under subsection (1) does not affect any liability under the agreement which has accrued before the termination.
- (3) A notice under subsection (1) shall not expire earlier than eighteen months after the making of the agreement, but apart from that the minimum period of notice to be given under subsection (1), unless the agreement provides for a shorter period, is as follows.
- (4) If the agreement provides for the making of payments by the hirer to the owner at equal intervals, the minimum period of notice is the length of one interval or three months, whichever is less.
- (5) If the agreement provides for the making of such payments at differing intervals, the minimum period of notice is the length of the shortest interval or three months, whichever is less.
- (6) In any other case, the minimum period of notice is three months.
- (7) This section does not apply to—
  - (a) any agreement which provides for the making by the hirer of payments which in total (and without breach of the agreement) exceed [<sup>F1</sup>£1,500] in any year, or
  - (b) any agreement where—

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*Changes to legislation: Consumer Credit Act 1974, Section 101 is up to date with all changes known to be in force on or before 25 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*

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- (i) goods are bailed or (in Scotland) hired to the hirer for the purposes of a business carried on by him, or the hirer holds himself out as requiring the goods for those purposes, and
  - (ii) the goods are selected by the hirer, and acquired by the owner for the purposes of the agreement at the request of the hirer from any person other than the owner's associate, or
  - (c) any agreement where the hirer requires, or holds himself out as requiring, the goods for the purpose of bailing or hiring them to other persons in the course of a business carried on by him.
- (8) If, on an application made to the [F<sup>2</sup>FCA] by a person carrying on a consumer hire business, it appears to the [F<sup>2</sup>FCA] that it would be in the interest of hirers to do so, [F<sup>3</sup>it] may F<sup>4</sup>... direct that [F<sup>5</sup>, subject to such conditions (if any) as it may specify, this section shall not apply to consumer hire agreements made by the applicant; and this Act shall have effect accordingly] .
- [F<sup>6</sup>(8A) If it appears to the [F<sup>7</sup>FCA] that it would be in the interests of hirers to do so, it may F<sup>8</sup>... direct that, subject to such conditions (if any) as it may specify, this section shall not apply to a consumer hire agreement if the agreement falls within a specified description; and this Act shall have effect accordingly.]
- (9) In the case of a modifying agreement, subsection (3) shall apply with the substitution, for “the making of the agreement ” of “the making of the original agreement ”.

#### Textual Amendments

- F1** "£1,500" substituted (1.5.1998) in s. 101(7)(a) by [S.I. 1998/997, art. 3, Sch.](#)
- F2** Word in s. 101(8) substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services Act 2012 \(Consumer Credit\) Order 2013 \(S.I. 2013/1882\), arts. 1\(1\), 7\(8\)\(a\)\(i\)](#)
- F3** Word in s. 101(8) substituted (1.4.2003) by [Enterprise Act 2002 \(c. 40\), ss. 278, 279, Sch. 25 para. 6\(26\); S.I. 2003/766, art. 2, Sch. \(with art. 3\)](#)
- F4** Words in s. 101(8) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of [The Financial Services Act 2012 \(Consumer Credit\) Order 2013 \(S.I. 2013/1882\), arts. 1\(1\), 7\(8\)\(a\)\(ii\)](#)
- F5** Words in s. 101(8) substituted (16.6.2006) by [Consumer Credit Act 2006 \(c. 14\), ss. {63\(2\)}, 71\(2\); S.I. 2006/1508, art. 3\(1\), Sch. 1](#)
- F6** S. 101(8A) inserted (16.6.2006) by [Consumer Credit Act 2006 \(c. 14\), ss. {63\(1\)}, 71\(2\); S.I. 2006/1508, art. 3\(1\), Sch. 1](#)
- F7** Word in s. 101(8A) substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services Act 2012 \(Consumer Credit\) Order 2013 \(S.I. 2013/1882\), arts. 1\(1\), 7\(8\)\(b\)\(i\)](#)
- F8** Words in s. 101(8A) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of [The Financial Services Act 2012 \(Consumer Credit\) Order 2013 \(S.I. 2013/1882\), arts. 1\(1\), 7\(8\)\(b\)\(ii\)](#)

**Changes to legislation:**

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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](#)