



# Consumer Credit Act 1974

## 1974 CHAPTER 39

### PART VII

#### DEFAULT AND TERMINATION

##### *Default notices*

#### **87 Need for default notice.**

- (1) Service of a notice on the debtor or hirer in accordance with section 88 (a “default notice”) is necessary before the creditor or owner can become entitled, by reason of any breach by the debtor or hirer of a regulated agreement,—
  - (a) to terminate the agreement, or
  - (b) to demand earlier payment of any sum, or
  - (c) to recover possession of any goods or land, or
  - (d) to treat any right conferred on the debtor or hirer by the agreement as terminated, restricted or deferred, or
  - (e) to enforce any security.
- (2) Subsection (1) does not prevent the creditor from treating the right to draw upon any credit as restricted or deferred, and taking such steps as may be necessary to make the restriction or deferment effective.
- (3) The doing of an act by which a floating charge becomes fixed is not enforcement of a security.
- (4) Regulations may provide that subsection (1) is not to apply to agreements described by the regulations.
- [<sup>F1</sup>(5) Subsection (1)(d) does not apply in a case referred to in section 98A(4) (termination or suspension of debtor's right to draw on credit under open-end agreement).]

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**Changes to legislation:** Consumer Credit Act 1974, Section 87 is up to date with all changes known to be in force on or before 11 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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#### Textual Amendments

- F1** S. 87(5) inserted (1.2.2011) by [The Consumer Credit \(EU Directive\) Regulations 2010 \(S.I. 2010/1010\)](#), **regs. 37, 99(1)** (with regs. 100, 101)
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#### Modifications etc. (not altering text)

- C1** S. 87 applied (1.11.2009) by [The Payment Services Regulations 2009 \(S.I. 2009/209\)](#), regs. 1(2)(c), **52(d)** (with reg. 3)
- C2** S. 87 excluded (E.W.S.) (15.7.2014) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Green Deal\) \(Amendment\) Order 2014 \(S.I. 2014/1850\)](#), arts. 1(2), **12(3)** (with art. 1(3))

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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](#)