



# Consumer Credit Act 2006

## 2006 CHAPTER 14

### *Unfair relationships*

#### **20 Powers of court in relation to unfair relationships**

After section 140A of the 1974 Act (inserted by section 19 of this Act) insert—

##### **“140B Powers of court in relation to unfair relationships**

- (1) An order under this section in connection with a credit agreement may do one or more of the following—
  - (a) require the creditor, or any associate or former associate of his, to repay (in whole or in part) any sum paid by the debtor or by a surety by virtue of the agreement or any related agreement (whether paid to the creditor, the associate or the former associate or to any other person);
  - (b) require the creditor, or any associate or former associate of his, to do or not to do (or to cease doing) anything specified in the order in connection with the agreement or any related agreement;
  - (c) reduce or discharge any sum payable by the debtor or by a surety by virtue of the agreement or any related agreement;
  - (d) direct the return to a surety of any property provided by him for the purposes of a security;
  - (e) otherwise set aside (in whole or in part) any duty imposed on the debtor or on a surety by virtue of the agreement or any related agreement;
  - (f) alter the terms of the agreement or of any related agreement;
  - (g) direct accounts to be taken, or (in Scotland) an accounting to be made, between any persons.
- (2) An order under this section may be made in connection with a credit agreement only—
  - (a) on an application made by the debtor or by a surety;

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*Changes to legislation: There are currently no known outstanding effects for the Consumer Credit Act 2006, Section 20. (See end of Document for details)*

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- (b) at the instance of the debtor or a surety in any proceedings in any court to which the debtor and the creditor are parties, being proceedings to enforce the agreement or any related agreement; or
  - (c) at the instance of the debtor or a surety in any other proceedings in any court where the amount paid or payable under the agreement or any related agreement is relevant.
- (3) An order under this section may be made notwithstanding that its effect is to place on the creditor, or any associate or former associate of his, a burden in respect of an advantage enjoyed by another person.
- (4) An application under subsection (2)(a) may only be made—
  - (a) in England and Wales, to the county court;
  - (b) in Scotland, to the sheriff court;
  - (c) in Northern Ireland, to the High Court (subject to subsection (6)).
- (5) In Scotland such an application may be made in the sheriff court for the district in which the debtor or surety resides or carries on business.
- (6) In Northern Ireland such an application may be made to the county court if the credit agreement is an agreement under which the creditor provides the debtor with—
  - (a) fixed-sum credit not exceeding £15,000; or
  - (b) running-account credit on which the credit limit does not exceed £15,000.
- (7) Without prejudice to any provision which may be made by rules of court made in relation to county courts in Northern Ireland, such rules may provide that an application made by virtue of subsection (6) may be made in the county court for the division in which the debtor or surety resides or carries on business.
- (8) A party to any proceedings mentioned in subsection (2) shall be entitled, in accordance with rules of court, to have any person who might be the subject of an order under this section made a party to the proceedings.
- (9) If, in any such proceedings, the debtor or a surety alleges that the relationship between the creditor and the debtor is unfair to the debtor, it is for the creditor to prove to the contrary.”

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#### Commencement Information

**II**    [S. 20](#) in force at 6.4.2007 by [S.I. 2007/123](#), art. 3(2), [Sch. 2](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Consumer Credit Act 2006, Section 20.