
STATUTORY INSTRUMENTS

1989 No. 1125

The Consumer Credit (Advertisements) Regulations 1989

PART III

SPECIAL PROVISIONS FOR CREDIT ADVERTISEMENTS

Credit advertisements in dealers' publications covering a calendar or seasonal period

4.—(1) Regulations 2 and 3 above shall not apply to a credit advertisement contained in, or in a separate document issued with, a publication published by or on behalf of a dealer which relates to goods or services which may be sold or supplied by him in a calendar or seasonal period specified in the publication if the advertisement contains the information specified in paragraph (2) below and no other indication that a person is willing to provide credit.

(2) The information referred to in paragraph (1) above is—

- (a) the name of the creditor, credit-broker or dealer and a postal address of his with or without his occupation or a statement of the general nature of his occupation; and
- (b) an indication that individuals may obtain on request a quotation in writing about the terms on which the advertiser is prepared to do business.

Full credit advertisements in dealers' publications

5. Information contained in a full credit advertisement relating to credit to be provided under a debtor-creditor-supplier agreement, being an advertisement contained in a publication published by or on behalf of a dealer which relates to goods or services which may be sold or supplied by him, shall be taken for the purposes of regulation 2(6) above to be shown together as a whole—

(a) if—

- (i) the cash price alone; or
- (ii) the cash price, any advance payment and the information specified in paragraphs 12 to 14 of Part III of Schedule 1 to these Regulations, and (except in the case of agreements for credit under which the total amount payable by the debtor is not greater than the cash price of the goods or services, the acquisition of which is to be financed by credit under the agreement) the APR

is clearly indicated in close proximity to every description of, or specific reference to, goods or services to which the information in the publication relates;

- (b) if the remaining information in the advertisement is so presented as to be readily comprehensible as a whole by a prospective debtor and an indication is given in close proximity to any of that information that it relates to all or specified descriptions of goods or services; and
- (c) if, except as mentioned in paragraph (a) above, no information relating to the provision of credit is shown together with the cash price.

Credit advertisements on the premises of a dealer

6.—(1) This regulation applies to an advertisement which does not contain either—

- (a) the cash price alone; or
- (b) each of the cash price, the information about the APR specified in sub-paragraphs (a) to (c) of paragraph 7 in Part II of Schedule 1 to these Regulations and the information about the total amount payable by the debtor specified in paragraph 14 in Part III of that Schedule,

but which would otherwise be an intermediate credit advertisement or a full credit advertisement.

(2) Subject to paragraph (3) below, an advertisement to which this regulation applies—

- (a) which is conspicuously displayed on any part of the premises of a dealer; and
- (b) which specifies goods or services the acquisition of which from that dealer may be financed by credit and which may be acquired from that part of those premises,

shall be treated as complying with these Regulations if the information in paragraph (1)(a) or (b) above as the case may be—

- (i) in the case of goods, is clearly marked on or displayed in close proximity to the goods; and
- (ii) in the case of services, is displayed at any place on the premises at which customers may enquire about them,

with an indication that other information relating to the supply of goods or services on credit is displayed on the premises but without any other information indicating that the goods or services are available on credit.

(3) An advertisement to which this regulation applies by virtue of paragraph (1)(b) above shall not be treated as complying with these Regulations by virtue of paragraph (2) above unless the total amount payable by the debtor in respect of the goods or services specified in the advertisement as goods or services the acquisition of which from the dealer in question may be financed by credit is also in the case of goods clearly marked on or displayed in close proximity to the goods and, in the case of services, displayed at any place on the premises at which customers may enquire about them, the total amount payable in the case of an agreement for running-account credit being calculated on each of the following assumptions:—

- (a) the debtor is provided with an amount of credit equal to the cash price of the goods or services less any advance payment required;
- (b) there are no changes in the rates of interest on the credit which may be provided under the agreement;
- (c) the debtor pays the amount stated in the advertisement or if none is stated the fixed or minimum sums payable under the agreement;
- (d) all repayments of credit and of the total charge for credit are made on the due date under the agreement; and
- (e) the debtor acquires no further goods or is provided with no further services under the agreement.

Restrictions on certain expressions in credit advertisements

7. A credit advertisement shall not include—
- (a) the word “overdraft” or any cognate expression as describing any agreement for running-account credit except an agreement enabling the debtor to overdraw on a current account;
 - (b) any indication whether express or implied that any of the terms of a credit agreement impose on customers a lesser expense or obligation than is being imposed by other persons, except in the case of a full credit advertisement which states, in close proximity to that

indication with no less particularity and prominence, the other persons concerned and their comparable terms;

- (c) the expression “interest free” or any expression to the like effect indicating that a customer is liable to pay no greater amount in respect of a transaction financed by credit than he would be liable to pay as a cash purchaser in relation to the like transaction, except where the total amount payable by the debtor does not exceed the cash price; or
- (d) the expression “no deposit” or any expression to the like effect, except where no advance payments are to be made.

Prominence to be afforded to the APR in credit advertisements and wording of prescribed information

8.—(1) The APR referred to in Schedule 1 to these Regulations shall be afforded in every credit advertisement—

- (a) greater prominence than a statement relating to any other rate of charge; and
- (b) no less prominence than a statement relating to—
 - (i) any period;
 - (ii) the amount of any advance payment or any indication that no such payment is required; or
 - (iii) the amount, number or frequency of any other payments or charges (other than the cash price of goods, services, land or other things) or of any repayments of credit.

(2) Where words are shown in capital letters in any prescribed form of statement set out in Schedule 1 or 2 to these Regulations and are reproduced in an advertisement they shall be afforded no less prominence than any other information relating to credit or bailment of goods which is required or permitted to be included under these Regulations in the advertisement except the APR.