

1989 No. 1125

CONSUMER CREDIT

**The Consumer Credit (Advertisements)
Regulations 1989**

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| <i>Made - - - -</i> | <i>5th July 1989</i> |
| <i>Laid before Parliament</i> | <i>6th July 1989</i> |
| <i>Coming into force</i> | <i>1st February 1990</i> |

The Secretary of State, in exercise of the powers conferred on him by sections 44, 151(1), 182(2) and 189(1) of the Consumer Credit Act 1974(a) and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

PART I

PRELIMINARY

Citation, commencement, interpretation and revocation

1.—(1) These Regulations may be cited as the Consumer Credit (Advertisements) Regulations 1989 and shall come into force on 1st February 1990.

(2) In these Regulations, unless the context otherwise requires:—

“the Act” means the Consumer Credit Act 1974;

“advance payment” includes any deposit but does not include a repayment of credit or any insurance premium or any amount entering into the total charge for credit;

“the APR” means the annual percentage rate of charge for credit determined in accordance with the Total Charge for Credit Regulations and Schedule 3 to these Regulations;

“cash price” in relation to any goods, services, land or other things means the price or charge at which the goods, services, land or other things may be purchased by, or supplied to, persons for cash, account being taken of any discount generally available from the dealer or supplier in question;

“cash purchaser” means, in relation to any advertisement, a person who, for a money consideration—

(a) acquires goods, land or other things; or

(b) is provided with services,

under a transaction which is not financed by credit;

“Consumer credit tables” means tables contained in Parts 1 to 15 of “Consumer credit tables” published in 1977 by Her Majesty’s Stationery Office as modified by Correction Slips so published in December 1978 (being tables calculated in accordance with the principles set out in the Total Charge for Credit Regulations);

(a) 1974 c.39; section 189(1) defines “prescribed”.

“contract of insurance” means a contract of insurance to which the Insurance Companies Act 1982(a) applies;

“credit advertisement” means an advertisement to which Part IV of the Act applies by virtue of it falling within section 43(1)(a) or which falls within section 151(1) of the Act in so far as section 44 is applied to such an advertisement;

“current account” means an account under which the customer may, by means of cheques or similar orders payable to himself or to any other person or by any other means, obtain or have the use of money held or made available by the person with whom the account is kept and which records alterations in the financial relationship between the said person and the customer;

“dealer” means, in relation to a hire-purchase, credit sale or conditional sale agreement under which he is not the creditor, a person who sells or proposes to sell goods, land or other things to the creditor before they form the subject matter of any such agreement and, in relation to any other agreement, means a supplier or his agent;

“hire advertisement” means an advertisement to which Part IV of the Act applies by virtue of it falling within section 43(1)(b) or which falls within section 151(1) of the Act in so far as section 44 is applied to such an advertisement;

“hire payment” means any payment to be made by a person in relation to any period in consideration of the bailment to him of goods, other than an advance payment;

“identified dealer” means, in relation to an advertisement—

(a) a dealer who is named in the advertisement or is identified in it by reference to a business connection he has with the advertiser; or

(b) a dealer upon whose premises the advertisement is published;

“premises” includes any place, stall, vehicle, vessel, aircraft or hovercraft at which a person is carrying on any business (whether on a permanent or temporary basis);

“supplier” has the meaning assigned to it by section 189(1) of the Act, except that it does not include, in relation to a hire-purchase, credit sale or conditional sale agreement, a creditor to whom goods, land or other things are sold or proposed to be sold by a dealer before becoming the subject matter of such an agreement;

“total charge for credit” shall be determined in accordance with the Total Charge for Credit Regulations and Schedule 3 to these Regulations; and

“the Total Charge for Credit Regulations” means the Consumer Credit (Total Charge for Credit) Regulations 1980(b).

(3) Any reference in these Regulations to bailment is in Scotland a reference to hiring.

(4) In these Regulations, references to repayment of credit are references to repayment of credit with or without any other amount.

(5) In these Regulations, any reference to the name of any person is—

(a) in the case of any person covered by a standard licence, a reference to any name of his specified in the licence; and

(b) in the case of any other person, a reference to any name under which he carries on business.

(6) Where any expression is used in these Regulations and in the Act, for the purposes of these Regulations that expression shall be construed as if in the Act (except section 8) references to consumer credit agreements and to regulated agreements (being consumer credit agreements) included references to personal credit agreements.

(7) The Regulations specified in Schedule 4 to these Regulations are hereby revoked to the extent specified in the third column of that Schedule.

(a) 1982 c.50.

(b) S.I. 1980/51, amended by S.I. 1985/1192 and 1989/596.

PART II

FORM AND CONTENT OF ADVERTISEMENTS

General rules

2.—(1) The person who causes any credit advertisement to be published shall ensure that, subject to the following provisions of these Regulations, every such advertisement is:—

- (a) a simple credit advertisement that is to say a credit advertisement containing only the information set out in paragraphs 1 to 5 of Part I of Schedule 1 to these Regulations in whole or in part and any other information referred to in paragraph 6;
- (b) an intermediate credit advertisement that is to say a credit advertisement containing only the information set out in paragraphs 1 to 9 of Part II of Schedule 1 and no other information except as referred to in paragraph 10;
- (c) a full credit advertisement that is to say a credit advertisement containing, subject to sub-paragraph (d) below, at least the information set out in Part III of Schedule 1; or
- (d) a full credit advertisement which invites individuals (being individuals who, at the date the advertisement is published, are debtors under agreements made with the advertiser) to agree to a specified variation of those agreements, containing—
 - (i) the name of the advertiser and a postal address of his and the information within Part III of Schedule 1 as varied in relation to those agreements if the invitation is accepted by the debtor; and
 - (ii) the information, other than the name and a postal address of the advertiser, specified in that Part which the advertisement does not indicate will remain unaltered if the invitation is accepted.

(2) The person who causes any hire advertisement to be published shall ensure that, subject to the following provisions of these Regulations, every such advertisement is—

- (a) a simple hire advertisement that is to say a hire advertisement containing only the information set out in paragraphs 1 to 5 of Part I of Schedule 2 to these Regulations in whole or in part and any other information referred to in paragraph 6;
- (b) an intermediate hire advertisement that is to say a hire advertisement containing only the information set out in paragraphs 1 to 7 of Part II of Schedule 2 and no other information except as referred to in paragraph 8;
- (c) a full hire advertisement that is to say a hire advertisement containing, subject to sub-paragraph (d) below, at least the information set out in Part III of Schedule 2, but not containing the expression “no deposit” or any expression to the like effect, except where no advance payments are to be made by the hirer; or
- (d) a full hire advertisement which invites individuals (being individuals who, at the date the advertisement is published, are hirers under agreements made with the advertiser) to agree to a specified variation of these agreements, containing—
 - (i) the name of the advertiser and a postal address of his and the information within Part III of Schedule 2 as varied in relation to the hire facility if the invitation is accepted by the hirer; and
 - (ii) the information, other than a name and postal address of the advertiser, specified in that Part which the advertisement does not indicate will remain unaltered if the invitation is accepted;

but not containing the expression “no deposit” or any expression to the like effect, except where no advance payments are to be made by the hirer.

(3) In the case of an advertisement relating to a debtor-creditor agreement enabling the debtor to overdraw on a current account under which the creditor is the Bank of England,

an institution authorised under the Banking Act 1987(a), the Post Office for the purposes of a transaction entered into in the ordinary course of that part of the business of the Post Office which consists of the provision of banking services or a building society incorporated (or deemed to be incorporated) under the Building Societies Act 1986(b), for any reference in Schedule 1 to these Regulations to the APR there may be substituted a reference to the statement of—

- (a) a rate, expressed to be a rate of interest, being a rate determined as the rate of the total charge for credit calculated on the assumption that only interest is included in the total charge for credit; and
- (b) the nature and amount of any other charge included in the total charge for credit.

(4) Paragraphs 6 and 7 of Part II, and paragraph 6 of Part III, of Schedule 1 to these Regulations do not apply to an advertisement in so far as it relates to fixed-sum credit to be provided under a debtor-creditor-supplier agreement, where the cash price of the goods, services, land or other things to be supplied under a transaction financed by the agreement does not exceed £50.

(5) The APR referred to in Schedule 1 to these Regulations shall be denoted in advertisements as “APR” or “annual percentage rate” or “annual percentage rate of the total charge for credit”.

(6) The specific information referred to in Schedules 1 and 2 to these Regulations in every credit advertisement or hire advertisement shall be clear and easily legible and, subject to the following provisions of these Regulations and except for the name and address or telephone number, shall be shown together as a whole.

(7) Any information in any book, catalogue, leaflet or other document which is likely to vary from time to time shall be taken for the purpose of paragraph (6) above to be shown together as a whole if—

- (a) it is set out together as a whole in a separate document issued with the book, catalogue, leaflet or other document; and
- (b) the other information in the credit advertisement or hire advertisement as the case may be is shown together as a whole in the book, catalogue, leaflet or other document.

Representative terms

3.—(1) Where in any advertisement relating to credit to be provided under a consumer credit agreement or relating to a consumer hire agreement as the case may be—

- (a) the advertisement refers to transactions of a particular class; and
- (b) any item of information mentioned in paragraph (2) below which applies in relation to one transaction of a particular class differs from an item of the like information which applies in relation to another transaction of the same class,

there may be substituted for such an item in the advertisement representative information together with an indication that the information is representative information.

(2) The items of information referred to in paragraph (1)(b) above are—

- (a) the APR in an intermediate credit advertisement or a full credit advertisement; or
- (b) the cash price and the frequency, number or amount of any payment or charge included in Parts II and III of Schedules 1 and 2 to these Regulations or of any repayment of credit in any full credit advertisement, and the total amount payable by the debtor in any full credit advertisement including its constituent parts.

(3) In this Regulation “representative information” means information shown as a typical example which the advertiser may reasonably expect at the date the information is published to be representative of transactions of the class in question, being transactions which he might then reasonably contemplate that he would enter into on or after that date.

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.

PART IV

GENERAL

Application of Regulations

9.—(1) These Regulations do not apply to any advertisement which

- (a) whether expressly or by implication indicates clearly that a person is willing—
 - (i) to provide credit; or
 - (ii) to enter into an agreement for the bailment of goods,

for the purposes of a person's business; and

- (b) does not indicate (whether expressly or by implication) that a person is willing to do either of those things otherwise than for the purposes of such a business.

(2) References in paragraph (1) above to a business do not include references to a business carried on by the advertiser or any person acting as a credit-broker in relation to the credit or hire facility to which the advertisement relates.

Transitional provisions

10.—(1) Subject to paragraph (2) below, a person shall not be guilty of an offence under section 47(1) or 167 of the Act for contravention of these Regulations if the advertisement would have complied with the requirements of the Consumer Credit (Advertisements) Regulations 1980(a) if those Regulations had not been revoked by these Regulations.

(2) This regulation only applies to advertisements published in a catalogue, diary or work of reference comprising at least 50 printed pages—

- (a) of which copies are first published, or made available for publication in the ordinary course of business, before 1st May 1990; and
- (b) which in a reasonably prominent position either contains the date of its first publication or specifies a period, being a calendar or seasonal period, throughout which it is intended to have effect.

5th July 1989

Francis Maude
Parliamentary Under-Secretary of State,
Department of Trade and Industry

(a) S.I. 1980/54, amended by S.I. 1980/1360, 1983/110, 1721, 1984/1055, 1985/619.

INFORMATION IN CREDIT ADVERTISEMENTS

PART I

MAXIMUM INFORMATION THAT MAY BE CONTAINED IN SIMPLE CREDIT ADVERTISEMENTS
IN WHOLE OR IN PART**Name**

1. The name of the advertiser.

Logo

2. A logo of his, of his associate and of his trade association.

Address

3. A postal address of his.

Telephone number

4. A telephone number of his.

Occupation

5. An occupation of his or a statement of the general nature of his occupation.

Other information

6. Any other information other than—
 - (a) information that a person is willing to provide credit; or
 - (b) the cash price, or other price, of any goods, services, land or other things.

PART II

MAXIMUM INFORMATION TO BE CONTAINED IN INTERMEDIATE CREDIT ADVERTISEMENTS

Compulsory information**Name and address or telephone number**

1. The name of the advertiser and a postal address or telephone number of his (or a freephone number) except—
 - (a) in the case of advertisements in any form on the premises of a dealer or creditor (not being advertisements in writing which customers are intended to take away);
 - (b) in the case of advertisements which include the name and address of a dealer; and
 - (c) in the case of advertisements which include the name of a credit-broker and a postal address or telephone number of his (or a freephone number).

Security

2. A statement that any security is or may be required, and where the security comprises or may comprise a mortgage or charge on the debtor's home a statement in the following form:—

“YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.”.

Insurance

3. A statement of any contract of insurance required, not being a contract of insurance against the risk of loss or damage to goods or land or any risk relating to the use of the goods or land.

Deposit of money in an account

4. A statement of any requirement to place on deposit any sum of money in any account with any person.

Credit-broker's fee

5. In the case of an advertisement published for the purposes of a business of credit brokerage carried on by any person, the amount of any fee payable by the debtor or an associate of his to a credit-broker or a statement of the method of its calculation.

Information about terms of business

6. Either a statement that individuals may obtain on request a quotation in writing about the terms on which the advertiser is prepared to do business or a statement that individuals may obtain on request a document containing no less information than a full credit advertisement about the terms on which the advertiser is prepared to do business.

APR

7. Where a cash price is given in the advertisement in relation to any specified goods, services, land or other things, having a particular cash price, the acquisition of which from an identified dealer may be financed by credit or where other information about financial and related particulars set out in paragraph 10(f) or (i) below is given in the advertisement—

- (a) the APR in relation to any actual or prospective agreement, other than an agreement specified in sub-paragraph (b) below, or a statement indicating that the total amount payable by the debtor is not greater than the total cash price of the goods, services, land or other things, the acquisition of which is to be financed by credit under the agreement;
- (b) the APR in relation to a debtor-creditor-supplier agreement for running-account credit under which the debtor agrees to pay the creditor an amount specified in the agreement on specified occasions, there is a credit limit and charges for credit are either a fixed amount in respect of each transaction or calculated as a proportion of the price payable under a transaction financed by the credit, the APR being calculated on each of the following assumptions respectively:—
 - (i) the debtor is provided with an amount of credit at the date of the making of the agreement which, taken with the amount of the charge for that credit ascertained at that date, is equal to the credit limit, and the debtor repays the sum of the said amounts by payments of the amounts specified in the agreement on the specified occasions and makes no other payment and obtains no further credit in relation to the account; and
 - (ii) a like assumption to that in sub-paragraph (i) above save that the said sum of the said amounts shall be taken to be one third of the credit limit; and
- (c) in relation to agreements under which the rate or amount of any item included in the total charge for credit will or may be varied, a statement indicating that the rate or amount will or may be varied.

Cash price

8. In the case of an advertisement relating to credit to be provided under a debtor-creditor-supplier agreement, where the advertisement specifies goods, services, land or other things having a particular cash price, the acquisition of which from an identified dealer may be financed by the credit, the cash price of such goods, services, land or other things.

Foreign currency mortgages

9. Where the advertisement is for a mortgage or other loan secured on property and repayments are to be made in a currency other than sterling, a statement in the following form:—

“THE STERLING EQUIVALENT OF YOUR LIABILITY UNDER A FOREIGN CURRENCY MORTGAGE MAY BE INCREASED BY EXCHANGE RATE MOVEMENTS.”.

Optional information

10. Any other information, except that no information may be shown indicating that a person is willing to provide credit other than as follows:—

Logo

- (a) a logo of his, of his associate and of his trade association;

Occupation

- (b) an occupation of his or a statement of the general nature of his occupation;

Credit facilities

- (c) a statement that credit facilities are, or that a specified category of credit facility is, available, and where applicable a statement indicating the period or the maximum period of availability;

Restricted offers of credit to class or group of persons

- (d) in the case of any credit being available only to, or on terms which are applicable only to, persons who fall within any class or group, a statement of that fact identifying that class or group;

APR

- (e) where not shown under paragraph 7 above, the information about the APR specified in paragraph 7(a) to (c);

Interest

- (f) where the APR is specified in the advertisement, the rate of any interest on the credit;

Amount of credit

- (g) the amount of credit which may be provided under a consumer credit agreement or an indication of one or both of the maximum amount and the minimum amount of credit which may be provided;

Nature of security not affecting debtor's home

- (h) the nature of any security required where this does not comprise a mortgage or charge on the debtor's home;

Advance payment

- (i) where the APR is specified in the advertisement, a statement as to whether an advance payment is required and if so the amount or minimum amount of the payment expressed as a sum of money or as a percentage;

Different treatment of cash and credit purchasers

- (j) a statement indicating any respect in which cash purchasers are treated differently from those acquiring any goods, land or other things, or being provided with services, under a transaction which is financed by credit; and

Name and address or telephone number of creditor

- (k) in the case of an advertisement to which paragraph 1(c) above applies, the name of the creditor and a postal address or telephone number of his (or a freephone number).

PART III**MINIMUM INFORMATION TO BE CONTAINED IN FULL CREDIT ADVERTISEMENTS****Name and address**

1. The name and a postal address of the advertiser except—
 - (a) in the case of advertisements in any form on the premises of a dealer or creditor (not being advertisements in writing which customers are intended to take away);
 - (b) in the case of advertisements which include the name and address of a dealer; and
 - (c) in the case of advertisements which include the name and a postal address of a credit-broker.

Security

2. A statement that any security is or may be required, and where the security comprises or may comprise a mortgage or charge on the debtor's home a statement in the following form:—

"YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT."

Insurance

3. A statement of any contract of insurance required, not being a contract of insurance against the risk of loss or damage to goods or land or any risk relating to the use of the goods or land.

Deposit of money in an account

4. A statement of any requirement to place on deposit any sum of money in any account with any person.

Credit-broker's fee

5. In the case of an advertisement published for the purposes of a business of credit brokerage carried on by any person, the amount of any fee payable by the debtor or an associate of his to a credit-broker or a statement of the method of its calculation.

Quotation

6. A statement that individuals may obtain on request a quotation in writing about the terms on which the advertiser is prepared to do business.

APR

7.—(1) The APR in relation to any actual or prospective agreement, other than an agreement specified in sub-paragraph (2) below, or a statement indicating that the total amount payable by the debtor is not greater than the total cash price of the goods, services, land or other things, the acquisition of which is to be financed by credit under the agreement.

(2) The APR in relation to a debtor-creditor-supplier agreement for running-account credit under which the debtor agrees to pay the creditor an amount specified in the agreement on specified occasions, there is a credit limit and charges for credit are either a fixed amount in respect of each transaction or calculated as a proportion of the price payable under a transaction financed by the credit, the APR being calculated on each of the assumptions set out in paragraph 7(b) of Part II of this Schedule respectively.

(3) In relation to agreements under which the rate or amount of any item included in the total charge for credit will or may be varied, a statement indicating that the rate or amount will or may be varied.

Restricted offers of credit to class or group of persons

8. In the case of any credit being available only to, or on terms which are applicable only to, persons who fall within any class or group, a statement of that fact identifying that class or group.

Nature of security not affecting debtor's home

9. The nature of any security required where this does not comprise a mortgage or charge on the debtor's home.

Frequency, number and amount of advance payments

10. A statement of the frequency and number of any advance payments required and of the amount or minimum amount expressed as a sum of money or as a percentage or a statement indicating the manner in which the amount will be determined.

Different treatment of cash and credit purchasers

11. A statement indicating any respect in which cash purchasers are treated differently from those acquiring any goods, land or other things, or being provided with services, under a transaction which is financed by credit.

Frequency, number and amount of repayments of credit

12.—(1) In the case of an advertisement relating to an agreement for running-account credit, a statement of the frequency of the repayments of credit under the advertised transaction and of the amount of each repayment stating whether it is a fixed or minimum amount, or a statement indicating the manner in which the amount will be determined.

(2) In the case of other credit advertisements, a statement of the frequency, number and amount of repayments of credit.

(3) In the case of an advertisement relating to an agreement under which interest on the credit to be provided is of a type to which sections 369 to 376 of the Income and Corporation Taxes Act 1988(a) apply (which make provision for the deduction of income tax at the basic rate from certain loan interest):—

- (a) a further statement indicating whether the amount of any repayment of credit mentioned in the advertisement is calculated before or after the deduction of tax; and
- (b) where such an advertisement indicates the amounts of repayments both before and after deduction of tax, and in one or other such case not all the repayments would be equal for the purposes of sub-paragraph (1) above, a statement indicating the lowest and the highest amounts and the exact year or other period in respect of which each such amount is to be paid, unless such information is included in the statement required under sub-paragraph (1) above.

(4) The advertisement shall not include in relation to any repayment under this paragraph the expression "weekly equivalent" or any expression to the like effect or any expression of any other periodical equivalent, unless weekly payments or the other periodical payments are provided for under the agreement.

(5) The amount of any repayment under this paragraph may be expressed as a sum of money or as a specified proportion of a specified amount (including the amount outstanding from time to time).

(a) 1988 c.1.

Other payments and charges

13.—(1) Subject to sub-paragraphs (2) and (3) below, a statement indicating the description and amount of any other payments and charges which may be payable under the transaction advertised.

(2) Where the liability of the debtor to make any payment cannot be ascertained at the date the advertisement is published, a statement indicating the description of the payment in question and the circumstances in which the liability to make it will arise.

(3) Sub-paragraphs (1) and (2) above do not apply to any charge payable under the transaction to the creditor or any other person on his behalf upon failure by the debtor or a relative of his to do or refrain from doing anything which he is required to do or refrain from doing, as the case may be.

Total amount payable by the debtor

14.—(1) Subject to sub-paragraphs (2) and (3) below, in the case of an advertisement relating to credit to be provided under a consumer credit agreement which is repayable at specified intervals or in specified amounts and other than cases under which the sum of the payments within sub-paragraphs (a) to (c) below is not greater than the cash price referred to in paragraph 15 below, the total amount payable by the debtor, being the total of—

- (a) advance payments;
- (b) the amount of credit repayable by the debtor; and
- (c) the amount of the total charge for credit.

(2) In the case of an agreement for running-account credit the total amount payable by the debtor under this paragraph shall be 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.

(3) Sub-paragraph (1) above does not apply in the case of an advertisement relating to running-account credit to be provided under a consumer credit agreement where the advertisement does not specify goods, services, land or other things having a particular cash price, the acquisition of which may be financed by the credit.

Cash price

15. In the case of an advertisement relating to credit to be provided under a debtor-creditor-supplier agreement, where the advertisement specifies goods, services, land or other things having a particular cash price, the acquisition of which from an identified dealer may be financed by the credit, the cash price of such goods, services, land or other things.

Foreign currency mortgages

16. Where the advertisement is for a mortgage or other loan secured on property and repayments are to be made in a currency other than sterling a statement in the following form:—

“THE STERLING EQUIVALENT OF YOUR LIABILITY UNDER A FOREIGN CURRENCY MORTGAGE MAY BE INCREASED BY EXCHANGE RATE MOVEMENTS.”.

SCHEDULE 2

Regulation 2(2)

INFORMATION IN HIRE ADVERTISEMENTS

PART I

MAXIMUM INFORMATION THAT MAY BE CONTAINED IN SIMPLE HIRE ADVERTISEMENTS
IN WHOLE OR IN PART

Name

1. The name of the advertiser.

Logo

2. A logo of his, of his associate and of his trade association.

Address

3. A postal address of his.

Telephone number

4. A telephone number of his.

Occupation

5. An occupation of his or a statement of the general nature of his occupation.

Other information

6. Any other information other than—
 - (a) information that a person is willing to enter into an agreement for the bailment of goods by him; or
 - (b) the cash price, or other price, of any goods.

PART II**MAXIMUM INFORMATION TO BE CONTAINED IN INTERMEDIATE HIRE ADVERTISEMENTS****Compulsory information****Name and address or telephone number**

1. The name of the advertiser and a postal address or telephone number of his (or a freephone number) except—
 - (a) in the case of advertisements in any form on the premises of a dealer or owner (not being advertisements in writing which customers are intended to take away);
 - (b) in the case of advertisements which include the name and address of a dealer; and
 - (c) in the case of advertisements which include the name of a credit-broker and a postal address or telephone number of his (or a freephone number).

Nature of transaction

2. A statement indicating that the transaction advertised is the bailment of goods.

Security

3. A statement that any security is or may be required, and where the security comprises or may comprise a mortgage or charge on the hirer's home a statement in the following form:—

“YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A HIRE AGREEMENT SECURED BY A MORTGAGE OR OTHER SECURITY ON YOUR HOME.”.

Insurance

4. A statement of any contract of insurance required, not being a contract of insurance against the risk of loss or damage to goods or any risk relating to the use of the goods.

Deposit of money in an account

5. A statement of any requirement to place on deposit any sum of money in any account with any person.

Credit-broker's fee

6. In the case of an advertisement published for the purposes of a business of credit brokerage carried on by any person, the amount of any fee payable by the hirer or an associate of his to a credit-broker or a statement of the method of its calculation.

Information about terms of business

7. Either a statement that individuals may obtain on request a quotation in writing about the terms on which the advertiser is prepared to do business or a statement that individuals may obtain on request a document containing no less information than a full hire advertisement about the terms on which the advertiser is prepared to do business.

Optional information

8. Any other information, except that no information may be shown indicating that a person is willing to enter into an agreement for the bailment of goods by him other than as follows:—

Logo

(a) a logo of his, of his associate and of his trade association;

Occupation

(b) an occupation of his or a statement of the general nature of his occupation;

Restricted offers of hire facilities to class or group of persons

(c) in the case of any hire facilities being available only to, or on terms which are applicable only to, persons who fall within any class or group, a statement of that fact identifying that class or group;

Nature of security not affecting hirer's home

(d) the nature of any security required where this does not comprise a mortgage or charge on the hirer's home;

Advance payment

(e) a statement as to whether an advance payment is required and if so the amount or minimum amount of the payment expressed as a sum of money or as a percentage;

Duration of hire

(f) in a case where goods are to be bailed under an agreement for a fixed period or a maximum or minimum period, a statement indicating that this is the case and the duration of that period; and

Name and address or telephone number of owner

(g) in the case of an advertisement to which paragraph 1(c) above applies, the name of the owner and a postal address or telephone number of his (or a freephone number).

PART III

MINIMUM INFORMATION TO BE CONTAINED IN FULL HIRE ADVERTISEMENT

Name and address

1. The name and a postal address of the advertiser except—

(a) in the case of advertisements in any form on the premises of a dealer or owner (not being advertisements in writing which customers are intended to take away);

(b) in the case of advertisements which include the name and address of a dealer; and

(c) in the case of advertisements which include the name and a postal address of a credit-broker.

Nature of transaction

2. A statement indicating that the transaction advertised is the bailment of goods.

Security

3. A statement that any security is or may be required, and where the security comprises or may comprise a mortgage or charge on the hirer's home a statement in the following form:—

“YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A HIRE AGREEMENT SECURED BY A MORTGAGE OR OTHER SECURITY ON YOUR HOME.”.

Insurance

4. A statement of any contract of insurance required, not being a contract of insurance against the risk of loss or damage to the goods or any risk relating to the use of the goods.

Deposit of money in an account

5. A statement of any requirement to place on deposit any sum of money in any account with any person.

Credit-broker's fee

6. In the case of an advertisement published for the purposes of a business of credit brokerage carried on by any person, the amount of any fee payable by the hirer or an associate of his to a credit-broker or a statement of the method of its calculation.

Quotation

7. A statement that individuals may obtain on request a quotation in writing about the terms on which the advertiser is prepared to do business.

Restricted offers of hire facilities to class or group of persons

8. In the case of any hire facilities being available only to, or on terms which are applicable only to, persons who fall within any class or group, a statement of that fact identifying that class or group.

Nature of security not affecting hirer's home

9. The nature of any security required where this does not comprise a mortgage or charge on the hirer's home.

Frequency, number and amount of advance payments

10. A statement of the frequency and number of any advance payments required and of the amount or minimum amount expressed as a sum of money or as a percentage or a statement indicating the manner in which the amount will be determined.

Duration of hire

11. In a case where goods are to be bailed under an agreement for a fixed period or a maximum or minimum period, a statement indicating that this is the case and the duration of that period.

Frequency and amount of hire payments

12. The frequency and amount of each hire payment stating if it be the case that it is a minimum amount and, in the case where the amount of any hire payment will or may be varied, a statement indicating that the amount will or may be varied and the circumstances in which it would happen:

Provided that the advertisement shall not include in relation to any hire payment the expression "weekly equivalent" or any expression to the like effect or any expression of any other periodical equivalent unless weekly payments or the other periodical payments are provided for under the hire agreement.

Other payments and charges

13.—(1) Subject to sub-paragraphs (2) and (3) below, a statement indicating the description and amount of any payments and charge other than advance payments and hire payments which may be payable under the transaction advertised.

(2) Where the liability of the hirer to make any payment cannot be ascertained at the date the advertisement is published, a statement indicating the description of the payment in question and the circumstances in which the liability to make it will arise.

(3) Sub-paragraphs (1) and (2) above do not apply to any charge payable under the transaction to the owner or any other person on his behalf upon failure by the hirer or a relative of his to do or to refrain from doing anything which he is required to do or to refrain from doing, as the case may be.

Variable payments and charges

14. Where any payment or charge referred to in paragraph 12 or 13 above may be varied under the hire agreement except to take account only of a change in value added tax (including a change to or from no tax being charged), a statement indicating that this is the case.

SCHEDULE 3

Regulation 1(2)

PROVISIONS RELATING TO DISCLOSURE OF THE TOTAL CHARGE FOR CREDIT AND THE APR**Use of representative information in calculation of the total charge for credit and the APR**

1. Where, in the case of an advertisement relating to credit to be provided under a consumer credit agreement—

- (a) the amount of any charge required to be included in the total charge for credit in respect of any transaction within a particular class of transactions is not ascertainable at the date when the advertisement is published or differs from the amount which applies in relation to another transaction within the same class; or

- (b) any other fact required for such calculation is not ascertainable at that date or is different from a comparable fact in relation to another transaction within the same class,

there shall be included in the total charge for credit an amount in respect of that charge which, having regard to the amounts and facts which apply to other transactions within the same class, is representative of the charges which the advertiser might reasonably expect at the date the advertisement is published would apply in relation to transactions of the class in question, being transactions which he might then reasonably contemplate he would enter into on or after that date.

- (2) If this paragraph is applied in relation to the amount of any charge or to any other fact—
 - (a) a sum in the determination of which any such amount or fact is employed shall not be taken to be the amount of the total charge for credit; and
 - (b) a rate of charge in the determination of which any such amount or fact is employed shall not be expressed to be the APR,unless the advertisement either—
 - (i) identifies any such amount or fact and quantifies so far as practicable any such amount; or
 - (ii) contains an indication that representative amounts have been included in calculating the total charge for credit.
- (3) For the purposes of this paragraph, a class of transactions means a class determined by reference to the subject-matter of the transactions or to the time at which, the circumstances in which or the persons with whom they are made.

Permissible tolerances in disclosure of the APR

2. For the purposes of these Regulations, it shall be sufficient compliance with the requirement to show the APR if there is included in the advertisement—

- (a) a rate which exceeds the APR by not more than one; or
- (b) a rate which falls short of the APR by not more than 0.1; or
- (c) in a case to which any of paragraphs 3 to 6 below applies, a rate determined in accordance with the paragraph or such of them as apply to that case.

Tolerance where repayments are nearly equal

3. In the case of an agreement under which all repayments but one are equal and that one repayment does not differ from any other repayment by more whole pence than there are repayments of credit, there may be included in an advertisement relating to the agreement a rate found under any of regulations 7, 9 and 10 of the Total Charge for Credit Regulations as if that one repayment were equal to the other repayments to be made under the agreement.

Tolerance where interval between relevant date and first repayment is greater than interval between repayments

- 4. In the case of an agreement under which—
 - (a) three or more repayments are to be made at equal intervals; and
 - (b) the interval between the relevant date and the first repayment is greater than the interval between the repayments,

there may be included in an advertisement relating to the agreement a rate found under any of regulations 7, 9 and 10 of the Total Charge for Credit Regulations as if the interval between the relevant date and the first repayment were shortened so as to be equal to the interval between repayments; and in this paragraph “relevant date” means, in a case where a date is specified in or determinable under the agreement at the date of its making as that on which the debtor is entitled to require provision of anything the subject of the agreement, the earliest such date and, in any other case, the date of the making of the agreement.

Tolerance where Consumer credit tables do not exactly apply

5.—(1) In a case where, in relation to any agreement the charge per pound lent, the flat rate or the period rate of charge, as the case may be, is not exactly represented by an entry in a table contained in the Consumer credit tables, there may be included in an advertisement relating to the agreement a rate found by applying the next greater entry appearing in those tables for the purposes of calculating that rate.

(2) In sub-paragraph (1) above “charge per pound lent”, “flat rate” and “period rate of charge” have the meanings assigned to them by the relevant Introduction or Instructions contained in the Consumer credit tables.

Tolerance where period rate of charge is charged

6. In the case of an agreement to which regulation 7(1) of the Total Charge for Credit Regulations (agreements under which a period rate of charge is charged) applies, there may be included in an advertisement relating to the agreement a rate, being the APR determined as if no account were taken of any amount by which the total amount of the charges included in the total charge for credit in relation to each period is varied so as to bring that amount to the nearest whole penny, one half-penny being for this purpose expressed to the next higher whole penny.

SCHEDULE 4

Regulation 1(7)

REVOCATIONS

| (1) | (2) | (3) |
|---|-----------------|------------------------|
| Regulations revoked | References | Extent of revocation |
| The Consumer Credit (Advertisements) Regulations 1980. | S.I. 1980/54. | The whole Regulations. |
| The Consumer Credit (Advertisements) (Amendment) Regulations 1980. | S.I. 1980/1360. | The whole Regulations. |
| The Consumer Credit (Advertisements and Quotations) (Amendment) Regulations 1983. | S.I. 1983/110. | Regulation 2. |
| The Consumer Credit (Advertisements and Quotations) (Amendment No. 2) Regulations 1983. | S.I. 1983/1721. | Regulation 2. |
| The Consumer Credit (Advertisements and Quotations) (Amendment) Regulations 1984. | S.I. 1984/1055. | Regulation 2. |
| The Consumer Credit (Advertisements and Quotations) (Amendment) Regulations 1985. | S.I. 1985/619. | Regulation 2. |

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations consolidate with amendments the Consumer Credit (Advertisements) Regulations 1980 as amended. The Regulations govern advertisements by persons carrying on consumer credit businesses, consumer hire businesses and businesses in the course of which credit secured on land is provided to individuals. They also apply to advertisements published by credit-brokers.

Part II prescribes the form and content of different categories of advertisements and Part III contains special provisions for credit advertisements. The Regulations contain provisions with a view to ensuring that an advertisement conveys a fair and reasonably comprehensive indication of the nature of the credit or hire facilities offered by the advertiser and of their true cost to persons using them.

A number of detailed provisions in the 1980 Regulations have been omitted and the Regulations have been simplified.

The "Consumer credit tables" (Parts 1 to 15) referred to in regulation 1(2) and Schedule 3 may be obtained from Her Majesty's Stationery Office or through booksellers.