

Status: This version of this provision is prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Consumer Credit (EU Directive) Regulations 2010. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

STATUTORY INSTRUMENTS

2010 No. 1010

The Consumer Credit (EU Directive) Regulations 2010

PROSPECTIVE

PART 2

Amendments to primary legislation

Early repayment

32. After section 95 (rebate on early settlement) insert—

“Compensatory amount

95A.—(1) This section applies where—

- (a) a regulated consumer credit agreement, other than an agreement secured on land, provides for the rate of interest on the credit to be fixed for a period of time, and
- (b) under section 94 the debtor discharges all or part of his indebtedness during that period.

(2) The creditor may claim an amount equal to the cost which the creditor has incurred as a result only of the debtor’s indebtedness being discharged during that period if—

- (a) the amount of the payment under section 94 exceeds £8,000 or, where more than one such payment is made in any 12 month period, the total of those payments exceeds £8,000,
- (b) the agreement is not a debtor-creditor agreement enabling the debtor to overdraw on a current account, and
- (c) the amount of the payment under section 94 is not paid from the proceeds of a contract of payment protection insurance.

(3) The amount in subsection (2)—

- (a) must be fair,
- (b) must be objectively justified, and
- (c) must not exceed whichever is the higher of—
 - (i) the relevant percentage of the amount of the payment under section 94, and
 - (ii) the total amount of interest that would have been paid by the debtor under the agreement in the period from the date on which the debtor makes the payment under section 94 to the date fixed by the agreement for the discharge of the indebtedness of the debtor.

(4) In subsection (3)(c)(i) “relevant percentage” means—

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- (a) 1%, where the period from the date on which the debtor makes the payment under section 94 to the date fixed by the agreement for the discharge of the indebtedness of the debtor is more than one year, or
- (b) 0.5%, where that period is equal to or less than one year.”.

Commencement Information

II Reg. 32 in force at 1.2.2011, see [reg. 99\(1\)](#)

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Changes and effects yet to be applied to :

- Regulations power to modify conferred by [2023 c. 29 s. 3 Sch. 1 Pt. 2](#)
- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)
- reg. 32 coming into force by [S.I. 2010/1010 reg. 99\(1\)](#)
- reg. 32 words substituted by [S.I. 2011/11 reg. 3](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 3(4) words substituted by [S.I. 2010/1969 reg. 6](#)
- reg. 25(8) inserted by [S.I. 2010/1969 reg. 11](#)
- reg. 54(za)(zb) inserted by [S.I. 2010/1969 reg. 14](#)
- reg. 55A inserted by [S.I. 2010/1969 reg. 16](#)
- reg. 56(za)(zb) inserted by [S.I. 2010/1969 reg. 17](#)
- reg. 67A inserted by [S.I. 2010/1969 reg. 21](#)
- reg. 76(1A) substituted by [S.I. 2010/1969 reg. 25](#)
- reg. 88A inserted by [S.I. 2011/11 reg. 6](#)
- reg. 91A inserted by [S.I. 2010/1969 reg. 27](#)
- reg. 100(2)(za) inserted by [S.I. 2010/1969 reg. 29\(b\)](#)
- reg. 100(3)(za) inserted by [S.I. 2010/1969 reg. 29\(c\)](#)
- reg. 101A inserted by [S.I. 2010/1969 reg. 30](#)