

**2010 No. 1013**

**CONSUMER CREDIT**

**The Consumer Credit (Disclosure of Information) Regulations  
2010**

<i>Made</i>	- - - -	<i>28th March 2010</i>
<i>Laid before Parliament</i>		<i>30th March 2010</i>
<i>Coming into force</i>	- -	<i>30th April 2010</i>

The Secretary of State is a Minister designated(a) for the purposes of section 2(2) of the European Communities Act 1972(b) in relation to measures relating to consumer credit.

The Secretary of State makes regulations 4(2), 4(4), 5(2), 7, 10(4)(a) and (b), 10(5), 10(7), 10(9) and 12(2)(c) in exercise of the powers conferred by section 2(2) of the European Communities Act 1972 and all other provisions in these Regulations in exercise of the powers conferred by sections 55(1), 182(2) and 189(1) of the Consumer Credit Act 1974(c).

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Consumer Credit (Disclosure of Information) Regulations 2010 and shall come into force on 30th April 2010.

(2) In these Regulations—

“the Act” means the Consumer Credit Act 1974;

“advance payment” includes any deposit and in relation to a regulated consumer credit agreement includes also any part-exchange allowance in respect of any goods agreed in antecedent negotiations not to be taken by the creditor in part exchange but does not include a repayment of credit or any insurance premium or any amount entering into the total charge for credit;

“ancillary service” means a service that relates to the provision of credit under the agreement and includes in particular an insurance or payment protection policy;

“the APR” means the annual percentage rate of charge for credit determined in accordance with Schedule 2 to these Regulations and the Total Charge for Credit 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, the debtor for cash account being taken of any discount generally available from the dealer or supplier in question;

“credit intermediary” has the same meaning as in section 160A of the Act;

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(a) S.I. 2008/3117.

(b) 1972 c.68. Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c.51).

(c) 1974 c.39. Section 182(2) has been amended but the amendment is not relevant here. Section 189(1) is cited for the definition of “prescribed”.

“distance contract” means any regulated agreement made under an organised distance sales or service-provision scheme run by or on behalf of the creditor who, in any such case, for the purpose of that agreement makes exclusive use of one or more means of distance communication up to and including the time at which the agreement is made. For this purpose, “means of distance communication” means any means which, without the simultaneous physical presence of the creditor or a person acting on behalf of the creditor and of the debtor, may be used for the making of a regulated agreement between the parties to that agreement;

“excluded pawn agreement” means a pawn agreement—

- (a) where the debtor is not a new customer of the creditor (see paragraph (5)), and
- (b) where, before the agreement is made, the creditor has not received a request from the debtor for the pre-contract credit information (see regulation 9);

“linked credit agreement” means a regulated consumer credit agreement which—

- (a) serves exclusively to finance an agreement for the supply of specific goods or the provision of a specific service or land, and
- (b)
  - (i) where the supplier or service provider himself finances the credit for the debtor, or if it is financed by a third party, where the creditor uses the services of the supplier or service provider in connection with the preparation or making of the credit agreement, or
  - (ii) where the specific goods or land or the provision of a specific service are explicitly specified in the credit agreement;

“pawn agreement” means a consumer credit agreement under which the creditor takes an article in pawn;

“pre-contract credit information” means the information specified in regulation 3(4);

“total amount of credit” means the credit limit or the total sums made available under a consumer credit agreement;

“total amount payable” means the sum of the total charge for credit and the total amount of credit payable under the agreement as well as any advance payment;

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

“the Total Charge for Credit Regulations” means the Consumer Credit (Total Charge for Credit) Regulations 2010(a).

(3) In these Regulations, a reference to a repayment is a reference to—

- (a) a repayment of the whole or any part of the credit,
- (b) a payment of the whole or any part of the total charge for credit, or
- (c) a combination of such repayments and payments.

(4) In these Regulations, a reference to rate of interest is a reference to the interest rate expressed as a fixed or variable percentage applied on an annual basis to the amount of credit drawn down.

(5) In these Regulations, a reference to an agreement includes a reference to a prospective agreement.

(6) For the purposes of the definition of “excluded pawn agreement” and regulation 8 the debtor is a new customer if the debtor has not entered into a pawn agreement with the creditor in the three years preceding the start of the negotiations antecedent to the agreement.

(7) In relation to a regulated consumer credit agreement secured on land and to which these Regulations do not apply, the definition of Total Charge for Credit Regulations shall apply as if for the words “Consumer Credit (Total Charge for Credit) Regulations 2010” there were substituted “Consumer Credit (Total Charge for Credit) Regulations 1980”(b).

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(a) S.I. 2010/1011.

(b) S.I. 1980/51 as amended by S.I. 1989/596 and S.I. 1999/3177.

## **Agreements to which these Regulations apply**

2.—(1) These Regulations apply in respect of a regulated consumer credit agreement, except as provided for in paragraphs (2) to (4).

(2) These regulations do not apply to an agreement to which section 58 of the Act (opportunity for withdrawal from prospective land mortgage) applies.

(3) These Regulations do not apply to an authorised non-business overdraft agreement which is—

- (a) for credit which exceeds £60,260, or
- (b) secured on land.

(4) Except as provided for in paragraph (5) these Regulations do not apply to an agreement—

- (a) under which the creditor provides the debtor with credit exceeding £60,260,
- (b) secured on land,
- (c) entered into by the debtor wholly or predominantly for the purposes of a business also carried on, or intended to be carried on, by him, or
- (d) made before 1st February 2011.

(5) These Regulations apply to an agreement mentioned in paragraph (4) (which is not also an agreement mentioned in paragraph (2) or (3)) where a creditor or, where applicable a credit intermediary, discloses or purports to disclose the pre-contract credit information in accordance with these Regulations rather than in accordance with the Consumer Credit (Disclosure of Information) Regulations 2004(a) or the Financial Services (Distance Marketing) Regulations 2004(b) (as the case may be).

(6) Subsections (2) to (5) of section 16B of the Act (declaration by the debtor as to the purposes of the agreement) apply for the purposes of paragraph (3)(c).

## **Information to be disclosed: agreements other than telephone contracts, non-telephone distance contracts, excluded pawn agreements and overdraft agreements**

3.—(1) This regulation applies to an agreement other than—

- (a) an agreement made by way of a voice telephone communication (whether or not it is a distance contract) (see regulation 4);
- (b) an agreement made using a means of distance communication other than a voice telephone communication, which does not enable the provision of the pre-contract credit information before the agreement is made (see regulation 5);
- (c) an excluded pawn agreement;
- (d) an authorised non-business overdraft agreement (see regulations 10 and 11).

(2) In good time before the agreement is made, the creditor must disclose to the debtor, in the manner set out in regulation 8, the pre-contract credit information.

(3) Paragraph (2) does not require a creditor to disclose the pre-contract credit information where it has already been disclosed to the debtor by a credit intermediary in a manner which complies with paragraph (2).

(4) For the purposes of these Regulations, the pre-contract credit information comprises—

- (a) the type of credit,
- (b) the identity and geographical address of the creditor and, where applicable, of the credit intermediary,
- (c) the total amount of credit to be provided under the agreement and the conditions governing the draw down of credit. In the case of an agreement for running-account

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(a) S.I. 2004/1481.

(b) S.I.2004/2095, amended by S.I. 2009/209; there are other amending instruments but none is relevant.

- credit, the total amount of credit may be expressed as a statement indicating the manner in which the credit limit will be determined where it is not practicable to express the limit as a sum of money,
- (d) the duration or minimum duration of the agreement or a statement that the agreement has no fixed or minimum duration,
  - (e) in the case of—
    - (i) credit in the form of deferred payment for specific goods, services or land, or
    - (ii) a linked credit agreement,
 a description of the goods, services or land and the cash price of each and the total cash price,
  - (f) the rate of interest charged, any conditions applicable to that rate, where available, any reference rate on which that rate is based and any information on any changes to the rate of interest (including the periods that the rate applies, and any conditions or procedure applicable to changing the rate),
  - (g) where different rates of interest are charged in different circumstances the creditor must provide the information in paragraph (f) in respect of each rate,
  - (h) the APR and the total amount payable under the agreement illustrated (if not known) by way of a representative example mentioning all the assumptions used in order to calculate that rate and amount,
  - (i) the amount (expressed as a sum of money), number (if applicable) and frequency of repayments to be made by the debtor and, where appropriate, the order in which repayments will be allocated to different outstanding balances charged at different rates of interest,
  - (j) in the case of an agreement for running-account credit, the amount of each repayment is to be expressed as (a) a sum of money; (b) a specified proportion of a specified amount; (c) a combination of (a) or (b); or (d) in a case where the amount of any repayment cannot be expressed in accordance with (a), (b) or (c), a statement indicating the manner in which the amount will be determined,
  - (k) if applicable, any charges for maintaining an account recording both payment transactions and draw downs, unless the opening of an account is optional, and any charge payable for using a method of payment in respect of payment transactions or draw downs,
  - (l) any other charges payable deriving from the credit agreement and the conditions under which those charges may be changed,
  - (m) if applicable, a statement that fees will be payable by the debtor to a notary on conclusion of the credit agreement,
  - (n) the obligation, if any, to enter into a contract for ancillary services relating to the consumer credit agreement, in particular insurance services, where the conclusion of such a contract is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed,
  - (o) the rate of interest applicable in the case of late payments and the arrangements for its adjustment, and, where applicable, any charges payable for default,
  - (p) a warning regarding the consequences of missing payments (for example, the possibility of legal proceedings and the possibility that the debtor's home may be repossessed),
  - (q) where applicable, any security to be provided by the debtor or on behalf of the debtor,
  - (r) the existence or absence of a right of withdrawal,
  - (s) the debtor's right of early repayment under section 94 of the Act, and where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined,
  - (t) the requirement for a creditor to inform a debtor in accordance with section 157(A1) of the Act that a decision not to proceed with a prospective regulated consumer credit

- agreement has been reached on the basis of information from a credit reference agency and of the particulars of that agency,
- (u) the debtor's right to be supplied under section 55C of the Act on request and free of charge, with a copy of the draft agreement except where—
    - (i) the creditor is at the time of the request unwilling to proceed to the making of the agreement, or
    - (ii) the agreement is an agreement referred to in regulation 2(4)(a) to (c) or a pawn agreement, and
  - (v) if applicable, the period of time during which the creditor is bound by the pre-contract credit information.
- (5) For the purpose of the representative example referred to in paragraph (4)(h)—
- (a) (i) where the debtor has informed the creditor or credit intermediary of one or more components of his preferred credit, such as the duration of the consumer credit agreement or the total amount of credit, and
    - (ii) where the creditor would in principle agree to offer credit on such terms, the creditor or credit intermediary must take those components into account when calculating the representative APR and the total amount payable;
  - (b) where the creditor uses the assumption set out in regulation 6(g) of the Consumer Credit (Total Charge for Credit) Regulations 2010 the creditor must indicate that other draw down mechanisms for this type of consumer credit agreement may result in a higher APR;
  - (c) subject to paragraph (a), in the case of an agreement for running-account credit, where the credit limit is not known at the date on which the pre-contract credit information is disclosed, the total amount of credit is to be assumed to be £1,200 or in a case where credit is to be provided subject to a maximum credit limit of less than £1,200, an amount equal to that maximum limit.
- (6) In the case of a consumer credit agreement under which repayments do not give rise to an immediate reduction in the total amount of credit advanced but are used to constitute capital as provided for under the agreement or under an ancillary agreement, the creditor or credit intermediary must provide a clear and concise statement that such agreements do not provide for a guarantee of repayment of the total amount of credit drawn down under the credit agreement unless such a guarantee is given.

**Information to be disclosed: telephone contracts**

4.—(1) This regulation applies to an agreement (other than an authorised non-business overdraft agreement) made by way of a voice telephone communication (whether or not it is a distance contract).

(2) Where the agreement is a distance contract and where the debtor explicitly consents, the creditor must disclose the following information before the agreement is made—

- (a) the identity of the person in contact with the debtor and that person's link with the creditor,
- (b) a description of the main characteristics of the credit agreement which includes the information set out in regulation 3(4)(c), (d), (e), (f), (g), (h), (i) and (j),
- (c) the total price to be paid by the debtor to the creditor for the credit including all taxes paid via the creditor or, if an exact price cannot be indicated, the basis for the calculation of the price enabling the debtor to verify it,
- (d) notice of the possibility that other taxes or costs may exist that are not paid via the creditor or imposed by the creditor,
- (e) whether or not there is—
  - (i) a right to withdraw under section 66A of the Act, or

- (ii) a right to cancel under regulation 9 of the Financial Services (Distance Marketing) Regulations 2004<sup>(a)</sup> and, where there is such a right, its duration and the conditions for exercising it, including information on the amount which the consumer may be required to pay in accordance with regulation 13 of those Regulations, as well as the consequences of not exercising that right,

(f) that other information is available on request and the nature of that information.

(3) Where the agreement is not a distance contract the creditor must disclose the information in paragraph (2)(b) before the agreement is made.

(4) The creditor must disclose the pre-contract credit information in the manner set out in regulation 8 immediately after the agreement is made.

#### **Information to be disclosed: non-telephone distance contracts**

**5.**—(1) This regulation applies to an agreement (other than an authorised non-business overdraft agreement) made—

- (a) at the debtor's request, and
- (b) using a means of distance communication other than a voice telephone communication which does not enable the provision before the agreement is made of the pre-contract credit information.

(2) The creditor must disclose the pre-contract credit information in the manner set out in regulation 8 immediately after the agreement is made.

#### **Information to be disclosed: distance contracts for the purpose of a business**

**6.**—(1) This regulation applies to an agreement that is a distance contract entered into by the debtor wholly or predominantly for the purposes of a business carried on, or intended to be carried on by him.

(2) Where the agreement is an agreement to which regulations 3 or 4 would otherwise apply the creditor may comply with those regulations by disclosing the pre-contract credit information immediately after the agreement is entered into.

(3) Subsections (2) to (5) of section 16B of the Act (declaration by the debtor as to the purposes of the agreement) apply for the purposes of paragraph (1).

#### **Information about contractual terms and conditions: regulations 3 and 4**

**7.**—(1) This regulation applies to an agreement which is—

- (a) a distance contract to which regulation 3 or 4 applies, and
- (b) which is not entered into by the debtor wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by him.

(2) The creditor must ensure that—

- (a) the information provided to the debtor pursuant to regulation 3 or 4 includes the contractual terms and conditions, and
- (b) the information provided to the debtor in relation to the contractual obligations which would arise if the distance contract were made accurately reflects the contractual obligations which would arise under the law presumed to be applicable to that contract.

(3) Subsections (2) to (5) of section 16B of the Act (declaration by the debtor as to the purposes of the agreement) apply for the purposes of paragraph (1).

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(a) S.I. 2004/2095, as amended by S.I. 2009/209; there are other amending instruments but none is relevant.

### **Manner of disclosure**

**8.**—(1) The pre-contract credit information must be disclosed by means of the form contained in Schedule 1.

(2) The form must be—

- (a) in writing, and
- (b) of a nature that enables the debtor to remove it from the place where it is disclosed to him.

(3) The form must be completed as specified in this paragraph—

- (a) the relevant pre-contract credit information is to be provided in the appropriate row,
- (b) the form is to be completed in accordance with the notes to that form,
- (c) the asterisks and notes may be deleted,
- (d) gridlines and boxes may be omitted, and
- (e) any information contained in the form must be clear and easily legible.

(4) Any additional information relating to the credit which is provided in writing by the creditor to the debtor must be provided in a separate document to the form.

(5) Where a consumer credit agreement is a multiple agreement containing more than one part for the purposes of section 18 of the Act, the pre-contract credit information in respect of each part may be provided in the same form provided that—

- (a) information that is not common to each part of the agreement is disclosed separately within the relevant section of the form, and
- (b) it is clear which information relates to which part.

### **Information to be disclosed: pawn agreements**

**9.**—(1) This Regulation applies to a pawn agreement.

(2) In good time before a pawn agreement is made (unless the debtor is a new customer), the creditor must inform the debtor of his right to receive the pre-contract credit information in the form contained in Schedule 1, free of charge, on request.

### **Information to be disclosed: overdraft agreements**

**10.**—(1) This regulation applies to an agreement which is an authorised non-business overdraft agreement.

(2) In good time before an authorised non-business overdraft agreement is made, the creditor must disclose to the debtor, the information in paragraph (3) in the manner set out in regulation 11.

(3) The information referred to in paragraph (2) is as follows—

- (a) the type of credit,
- (b) the identity and geographical address of the creditor and, where applicable, of the credit intermediary,
- (c) the total amount of credit,
- (d) the duration of the agreement,
- (e) the rate of interest charged, any conditions applicable to that rate, any reference rate on which that rate is based and any information on any changes to the rate of interest (including the periods that the rate applies, and any conditions or procedure applicable to changing the rate),
- (f) where different rates of interest are charged in different circumstances the creditor must provide the information in paragraph (e) in respect of each rate,
- (g) the conditions and procedure for terminating the agreement,

- (h) where applicable, an indication that the debtor may be requested to repay the amount of credit in full on demand at any time,
- (i) the rate of interest applicable in the case of late payments and the arrangements for its adjustment, and, where applicable, any charges payable for default,
- (j) the requirement for a creditor to inform a debtor in accordance with section 157(A1) of the Act that a decision not to proceed with a prospective regulated consumer credit agreement has been reached on the basis of information from a credit reference agency and of the particulars of that agency,
- (k) the charges, other than the rates of interest, payable by the debtor under the agreement (and the conditions under which those charges may be varied),
- (l) if applicable, the period of time during which the creditor is bound by the information set out in this paragraph.

(4) Paragraph (2) does not apply to –

- (a) an agreement made by a voice telephone communication (whether or not it is a distance contract),
- (b) an agreement made at the debtor's request using a means of distance communication, other than a voice telephone communication, which does not enable the provision of the information required by paragraph (2) before the agreement is made, or
- (c) an agreement that does not come within sub-paragraph (a) or (b) but where the debtor requests the overdraft be made available with immediate effect.

(5) In the case of an agreement that falls within paragraph (4)(a) that is also a distance contract, where the debtor explicitly consents the creditor must disclose the following information before the agreement is made—

- (a) the identity of the person in contact with the debtor and that person's link with the creditor,
- (b) a description of the main characteristics of the financial service including at least the information in paragraph (3)(c), (e), (f), (h) and (k),
- (c) the total price to be paid by the debtor to the creditor for the credit including all taxes paid via the creditor or, if an exact price cannot be indicated, the basis for the calculation of the price enabling the debtor to verify it,
- (d) notice of the possibility that other taxes or costs may exist that are not paid via the creditor or imposed by the creditor,
- (e) whether or not there is a right to cancel under regulation 9 of the Financial Services (Distance Marketing) Regulations 2004(a) and where there is such a right, its duration and the conditions for exercising it including information on the amount which the consumer may be required to pay in accordance with regulation 13 of those regulations, as well as the consequences of not exercising that right, and
- (f) that other information is available on request and the nature of that information.

(6) In the case of an agreement that falls within paragraph (4)(a) that is not a distance contract the creditor must disclose the information in paragraph (5)(b) before the agreement is made.

(7) In the case of an agreement that is a distance contract to which this regulation applies the creditor must ensure that the information he provides to the debtor pursuant to this regulation regarding the contractual obligations which would arise if the distance contract were concluded, accurately reflects the contractual obligations which would arise under the law presumed to be applicable to that contract.

(8) In the case of an agreement that falls within paragraph (4)(c), the creditor must disclose the information in paragraph (3)(c), (e), (f), (h), and (k) to the debtor before the agreement is made in the manner set out in regulation 11.

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(a) S.I. 2004/2095, as amended by S.I. 2009/209; there are other amending instruments but none is relevant.



(9) Where a current account is an agreement for two or more debtors jointly the creditor may comply with paragraphs (5), (6) or (8) by disclosing the information to one debtor provided that each of the debtors have given the creditor their consent that the creditor may not comply in each debtor's case with the relevant paragraph.

- 11.**—(1) Where regulation 10(2) applies, the creditor must comply with that regulation by—
- (a) disclosing the information by means of the European Consumer Credit Information form set out in Schedule 3 to these Regulations and as specified in paragraph (2), or
  - (b) disclosing the information in writing so that all information is equally prominent.
- (2) The specifications referred to in paragraph (1)(a) are that—
- (a) the relevant information must be provided in the appropriate row,
  - (b) the form must be completed in accordance with the notes to that form,
  - (c) the asterisks and notes may be deleted,
  - (d) gridlines and boxes may be omitted, and
  - (e) any information contained in the form must be clear and easily legible.
- (3) Where regulation 10(8) applies, the creditor may provide the information orally.

### **Modifying agreements**

**12.**—(1) Subject to paragraphs (2) to (4), these Regulations apply to a modifying agreement which varies or supplements an earlier agreement and which is, or is treated under section 82(3) of the Act as, a regulated agreement.

(2) Where a modifying agreement modifies an earlier consumer credit agreement, the requirements of regulations 3, 4 and 10 will be deemed to be satisfied if, in good time before the modifying agreement is made—

- (a) the information specified by regulations 3(4) and 10(3) is disclosed to the debtor in respect of any provision of the earlier agreement which is varied or supplemented,
- (b) the creditor informs the debtor in writing that the other information in the earlier agreement remains unchanged, and
- (c) where the Financial Services (Distance Marketing) Regulations 2004<sup>(a)</sup> apply, the creditor complies with regulation 7 and 8 of those Regulations.

(3) Where a modifying agreement is made in a manner that does not allow the creditor to comply with the requirement in paragraph (2)(b), the creditor is deemed to have complied with that requirement if—

- (a) before the agreement is made the creditor informs the debtor orally that the other information in the earlier agreement remains unchanged, and
- (b) this is confirmed to the debtor in writing immediately after the agreement is made.

(4) This regulation does not apply to an excluded pawn agreement.

*Kevin Brennan*

Minister for Further Education, Skills, Apprenticeships and Consumer Affairs  
Department for Business, Innovation and Skills

28th March 2010

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(a) S.I.2004/2095, amended by S.I. 2009/209; there are other amending instruments but none is relevant.

## SCHEDULE 1

Regulation 8(1)

### PRE-CONTRACT CREDIT INFORMATION

(Standard European Consumer Credit Information)

#### 1. Contact details

Creditor. Address. Telephone number(s).* E-mail address.* Fax number.* Web address.*	[Identity.] [Geographical address of the creditor to be used by the debtor.]
If applicable Credit intermediary. Address. Telephone number(s).* E-mail address.* Fax number.* Web address.*	[Identity.] [Geographical address of the credit intermediary to be used by the debtor.]

\* This information is optional for the creditor. The row may be deleted if the information is not provided.

Wherever “if applicable” is indicated, the creditor must give the information relevant to the credit product or, if the information is not relevant for the type of credit considered, delete the respective information or the entire row, or indicate that the information is not applicable.

Indications between square brackets provide explanations for the creditor and must be replaced with the corresponding information.

#### 2. Key features of the credit product

<i>The type of credit.</i>	
The total amount of credit. This means the amount of credit to be provided under the proposed credit agreement or the credit limit.	[The amount is to be expressed as a sum of money. In the case of running-account credit, the total amount may be expressed as a statement indicating the manner in which the credit limit will be determined where it is not practicable to express the limit as a sum of money.]
How and when credit would be provided.	[Details of how and when any credit being advanced is to be drawn down.]
The duration of the credit agreement.	[The duration or minimum duration of the agreement or a statement that the agreement has no fixed or minimum duration.]
Repayments. If applicable: Your repayments will pay off what you owe in the following order.	[The amount (expressed as a sum of money), number (if applicable) and frequency of repayments to be made by the debtor. In the case of an agreement for running-account credit, the amount may be expressed as a sum of money or a specified proportion of a specified amount or both, or in a case where the amount of any repayment cannot be expressed

	<p>as a sum of money or a specified proportion, a statement indicating the manner in which the amount will be determined.</p> <p>[The order in which repayments will be allocated to different outstanding balances charged at different rates of interest.]</p>
<p>The total amount you will have to pay. This means the amount you have borrowed plus interest and other costs.</p>	<p>[The amount payable by the debtor under the agreement (where necessary, illustrated by means of a representative example).</p> <p>The total amount payable will be the sum of the total amount of credit and the total charge for credit payable under the agreement as well as any advance payment where required. In the case of running account credit, where it is not practicable to express the limit as a sum of money, a credit limit of £1200 should be assumed.</p> <p>In a case where credit is to be provided subject to a maximum credit limit of less than £1200, an amount equal to that maximum limit.</p> <p>The total charge for credit is to be calculated using the relevant APR assumptions set out in Schedule 2 to the Consumer Credit (Disclosure of Information) Regulations 2010 and the Total Charge for Credit Regulations, and where appropriate the relevant components of the debtor's preferred credit.]</p>
<p>If applicable [The proposed credit will be granted in the form of a deferred payment for goods or service.] or [The proposed credit will be linked to the supply of specific goods or the provision of a service.] Description of goods/services/land (as applicable). Cash price.</p>	<p>[A list or other description] [Cash price of goods or service.] [Total cash price.]</p>
<p>If applicable Security required. This is a description of the security to be provided by you in relation to the credit agreement.</p>	<p>[Description of any security to be provided by or on behalf of the debtor.]</p>
<p>If applicable Repayments will not immediately reduce the amount you owe.</p>	<p>[In the case of a credit agreement under which repayments do not give rise to an immediate reduction in the total amount of credit advanced but are used to constitute capital as provided by the agreement (or an ancillary agreement a clear and concise statement) where applicable, that the agreement does not provide for a guarantee of the repayment of the total amount of credit drawn down under the credit agreement.]</p>

### 3. Costs of the credit

The rates of interest which apply to the credit	[Details of the rate of interest charged, any
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agreement	conditions applicable to that rate, where available, any reference rate on which that rate is based and any information on changes to the rate of interest (including the periods that the rate applies, and any conditions or procedure applicable to changing the rate). Where different rates of interest are charged in different circumstances, the creditor must provide the above information in respect of each rate.]
Annual Percentage Rate of Charge (APR). This is the total cost expressed as an annual percentage of the total amount of credit. The APR is there to help you compare different offers.	[% if known. If the APR is not known a representative example (expressed as a %) mentioning all the necessary assumptions used for calculating the rate (as set out in Schedule 2 to the Consumer Credit (Disclosure of Information) Regulations 2010, the Total Charge for Credit Regulations and, where appropriate, the relevant components of the debtor's preferred credit). Where the creditor uses the assumption set out in regulation 6(g) of the Total Charge for Credit Regulations, the creditor shall indicate that other draw down mechanisms for this type of agreement may result in a higher APR.]
If applicable In order to obtain the credit or to obtain it on the terms and conditions marketed, you must take out: — an insurance policy securing the credit, or — another ancillary service contract. If we do not know the costs of these services they are not included in the APR.	[Nature and description of any insurance or other ancillary service contract required.]
Related costs	
If applicable You must have a separate account for recording both payment transactions and drawdowns.	[Details of any account or accounts that the creditor requires to be set up in order to obtain the credit together with the amount of any charge for this.]
If applicable Charge for using a specific payment method.	[Specify means of payment and the amount of charge.]
If applicable Any other costs deriving from the credit agreement. If applicable Conditions under which the above charges can be changed.	[Description and amount of any other charges not otherwise referred to in this form.]  [Details of the conditions under which any of the charges mentioned above can be changed.]
If applicable You will be required to pay notarial fees.	[Description and amount of any fee.]
Costs in the case of late payments.	Either [A statement that there are no charges for late or missed payments.] Or [Applicable rate of interest in the case of late payments and arrangements for its adjustment

	and, where applicable any charges payable for default.]
Consequences of missing payments.	[A statement warning about the consequences of missing payments, including: — a reference to possible legal proceedings and repossession of the debtor’s home where this is a possibility, and — the possibility of missing payments making it more difficult to obtain credit in the future.]

#### 4. Other important legal aspects

Right of withdrawal.	Either: [A statement that the debtor has the right to withdraw from the credit agreement before the end of 14 days beginning with the day after the day on which the agreement is made, or if information is provided after the agreement is made, the day on which the debtor receives a copy of the executed agreement under sections 61A or 63 of the Consumer Credit Act 1974, the day on which the debtor receives the information required in section 61A(3) of that Act or the day on which the creditor notifies the debtor of the credit limit, the first time it is provided, whichever is the latest.] Or [There is no right to withdraw from this agreement – if there is a right to cancel the agreement this should be stated.](a) [If the right to cancel is under the Financial Services (Distance Marketing) Regulations 2004 refer to section 5 of the form.]
Early repayment. If applicable Compensation payable in the case of early repayment.	[A statement that the debtor has the right to repay the credit early at any time in full or partially.](b). [Determination of the compensation (calculation method) in accordance with section 95A of the Consumer Credit Act 1974.]
Consultation with a Credit Reference Agency(c).	[A statement that if the creditor decides not to proceed with a prospective regulated consumer credit agreement on the basis of information from a credit reference agency the creditor must, when informing the debtor of the decision, inform the debtor that it has been reached on the basis of information from a credit reference agency and of the particulars of that agency.]

- (a) i.e. if there is a cancellation right in respect of an agreement involving credit in excess of £60,260.  
(b) the words “or partially” may be excluded in the case of agreements secured on land.  
(c) this requirement does not apply in the case of agreements secured on land.

Right to a draft credit agreement(a).	[A statement that the debtor has the right, upon request, to obtain a copy of the draft credit agreement free of charge, unless the creditor is unwilling at the time of the request to proceed to the conclusion of the credit agreement.]
If applicable The period of time during which the creditor is bound by the pre-contractual information.	[This information is valid from [—] until [—].]or [Period of time during which the information on this form is valid.]

If applicable

### 5. Additional information in the case of distance marketing of financial services

(a) concerning the creditor	
If applicable The creditor's representative in your Member State of residence. Address. Telephone number(s). E-mail address.* Fax number.* Web address.*	[i.e. where different from section 1.] [Identity.] [Geographical address to be used by the debtor.]
If applicable Registration number.	[Consumer credit licence number and any other relevant registration number of the creditor.]
If applicable The supervisory authority.	[The Office of Fair Trading or any other relevant supervisory authority or both.]
(b) concerning the credit agreement	
If applicable(b) Right to cancel the credit agreement.	[Practical instructions for exercising the right to cancel indicating, amongst other things, the period for exercising the right, the address to which notification of exercise of the right to cancel should be sent and the consequences of non- exercise of that right.]
If applicable The law taken by the creditor as a basis for the establishment of relations with you before the conclusion of the credit agreement.	[English/other law]
If applicable The law applicable to the credit agreement and/or the competent court.	[A statement concerning the law which governs the contract and the courts to which disputes may be referred.]
If applicable Language to be used in connection with the credit agreement.	[Details of the language that the information and contractual terms will be supplied in and used, with your consent, for communication during the duration of the credit agreement.]
(c) concerning redress	
Access to out-of-court complaint and redress mechanism.	[Whether or not there is an out-of-court complaint and redress mechanism for the debtor and, if so, the methods of access to it.]

(a) this requirement does not apply in the case of agreements secured on land, agreements for credit agreements exceeding £60,260, pawn agreements and business purpose agreements.

(b) if the right to withdraw referred to in section 4 does not apply.

\* This information is optional for the creditor. The row may be deleted if the information is not provided.

## SCHEDULE 2

Regulation 1(2)

### PROVISIONS RELATING TO CALCULATION AND DISCLOSURE OF THE TOTAL CHARGE FOR CREDIT AND APR

#### 1. Assumptions about running-account credit

- (a) In the case of an agreement for running-account credit, the assumption in paragraph (b) shall have effect for the purpose of calculating the total charge for credit and any APR in place of any assumptions in regulation 6(o) of the Consumer Credit (Total Charge for Credit) Regulations 2010 that might otherwise apply—
- (b) in a case where the credit limit applicable to the credit is not known at the time the pre-contract credit information is disclosed but it is known that it will be subject to a maximum limit of less than £1,200, the credit limit shall be assumed to be an amount equal to that maximum limit.

#### 2. Permissible tolerances in disclosure of an APR

For the purposes of these Regulations, it shall be sufficient compliance with the requirement to show an APR if there is included in the pre-contract credit information—

- (a) a rate which exceeds the APR by not more than one,
- (b) a rate which falls short of the APR by not more than 0.1, or
- (c) in a case to which paragraph 3 or 4 of this Schedule applies, a rate determined in accordance with those paragraphs or whichever of them applies to that case.

#### 3. Tolerance where repayments are nearly equal

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 the pre-contract credit information a rate found under regulation 5 of the Consumer Credit (Total Charge for Credit) Regulations 2010 as if that one repayment were equal to the other repayments to be made under the agreement.

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

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 the pre-contract credit information a rate found under regulation 5 of the Consumer Credit (Total Charge for Credit) Regulations 2010 as if the interval between the relevant date and the first repayment were shortened so as to be equal to the interval between repayments.

## SCHEDULE 3

Regulation 11(1)

### EUROPEAN CONSUMER CREDIT INFORMATION

#### 1. Contact details

Creditor. Address.  Telephone number(s).* E-mail address.* Fax number.* Web address.*	[Identity.] [Geographical address of the creditor to be used by the debtor.]
If applicable Credit intermediary. Address.  Telephone number(s).* E-mail address.* Fax number.* Web address.*	[Identity.] [Geographical address of the credit intermediary to be used by the debtor.]

\* This information is optional for the creditor. The row may be deleted if the information is not provided.

Wherever “if applicable” is indicated, the creditor must give the information relevant to the credit product or, if the information is not relevant for the type of credit considered, delete the respective information or the entire row or indicate that the information is not applicable.

Indications between square brackets provide explanations for the creditor and must be replaced with the corresponding information.

## 2. Description of the main features of the credit product

<i>The type of credit.</i>	
The total amount of credit. This means the amount of credit to be provided under the agreement or the credit limit.	[The amount is to be expressed as a sum of money. In the case of running account credit, the total amount may be expressed as a statement indicating the manner in which the credit limit will be determined where it is not practicable to express the limit as a sum of money.]
The duration of the credit agreement.	[The duration or minimum duration of the agreement or a statement that the agreement has no fixed or minimum duration.]
If applicable Repayment of the credit.	[A statement informing the debtor that the debtor may be required to repay the amount of credit in full on demand at any time.]

## 3. Costs of the credit

The rates of interest which apply to the credit agreement.	[Details of the rates of interest charged, any conditions applicable to that rate, where available any reference rate on which that rate is based and any information on changes to the rate of interest (including the periods that the rate applies and any conditions or procedure applicable to changing the rate). Where different rates of interest are charged in different circumstances, the creditor must provide the above information in respect of each rate.]
If applicable	[The costs applicable from the time the credit



Costs. If applicable The conditions under which those costs may be changed.	agreement is concluded.]
Costs in the case of late payments.	Either [A statement that there are no charges for late or missed payments.] Or [Applicable rate of interest, in the case of late payments and arrangements for its adjustment and, where applicable, any charges payable for default.]

#### 4. Other important legal aspects

Termination of the credit agreement.	[The conditions and procedure for termination of the credit agreement.]
Consultation with a credit reference agency.	[A statement that if the creditor decides not to proceed with a prospective regulated consumer credit agreement on the basis of information from a credit reference agency the creditor must, when informing the debtor of that decision, inform the debtor that it has been reached on the basis of information from a credit reference agency and of the particulars of that agency.]
If applicable The period of time during which the creditor is bound by the pre-contractual information.	[This information is valid from [—] until [—] or [Period of time during which the information on this form is valid.]

If applicable

#### 5. Additional information to be given in the case of distance marketing of financial services

(a) concerning the creditor	
If applicable The creditor's representative in [the UK] [your Member State of residence.] Address. Telephone number.* E-mail address.* Fax number.* Web address.*	[i.e. where different from section 1.] [Identity.] [Geographical address to be used by the debtor.]
If applicable Registration number.	[Consumer credit licence number and any other relevant registration number of the creditor.]
If applicable The supervisory authority.	[The Office of Fair Trading or any other relevant supervisory authority or both.]
(b) concerning the credit agreement	
If applicable The law taken by the creditor as a basis for the establishment of relations with you before the conclusion of the credit contract.	[English/other law.]
If applicable The law applicable to the credit agreement	[A statement concerning the law which governs the contract and the courts to which disputes

and/or the competent court.	may be referred.]
If applicable Language to be used in connection your agreement.	[Details of the language that the information and contractual terms will be supplied in and used, with the debtor's consent, for communication during the duration of the credit agreement.]
(c) concerning redress	
Access to out- of-court complaint and redress mechanism.	[Whether or not there is an out-of-court complaint and redress mechanism for the debtor who is party to the distance contract and, if so, the methods of access to it.]

\* This information is optional for the creditor. The row may be deleted if the information is not provided.

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations implement article 5.1 to 5.5, and article 6.4 of Directive 2008/48/EC of the European Parliament and of the Council on credit agreements for consumers (OJ No. L133, 22.5.2008, p.66) They also implement the pre-contractual information requirements in articles 3.1 to 3.3 and 5.2 of Directive 2002/65/EC of the European Parliament and of the Council concerning the distance marketing of consumer financial services and amending Council Directive 90/61/EEC and Directives 97/7/EC and 98/27/EC in their application to consumer credit agreements (OJ No.L271, 9.10.2002, p.16.).

Regulation 2 sets out the scope of application of the Regulations and provides an option for creditors of agreements for credit exceeding £60,260, agreements secured on land, agreements entered into wholly or predominantly for the purpose of a debtor's business, or agreements made before 1st February 2011 to comply with the pre-contract credit information disclosure requirements. However, the Regulations do not apply to distance contracts entered into wholly or predominantly for the purpose of a debtor's business.

Regulation 3 applies to consumer credit agreements other than telephone contracts, non-telephone distance contracts, excluded pawn agreements and overdraft agreements. It sets out the pre-contract credit information which is required to be disclosed to a debtor in good time before an agreement is entered into.

Regulation 4 sets out the information requirements in relation to agreement made by voice telephone communications.

Regulation 5 applies to agreements made using a means of distance communication which does not enable the provision of information before the agreement is entered into. In this case the information must be provided immediately afterwards.

Regulation 6 applies to distance contracts for the purpose of a business and allows the information to be disclosed immediately after the agreement is made.

Regulation 7 makes provision for distance contracts to provide information about the contractual terms and conditions.

Regulation 8 provides that the pre-contract credit information is to be disclosed by means of the form set out in schedule 1. There are special provisions applying to multiple agreements.

Regulation 9 sets out the information requirements in relation to pawn agreements.

Regulation 10 sets out the information required to be disclosed in good time before an authorised non-business overdraft agreement is entered into. It makes separate provision for such agreements entered into by means of distance communication. It also makes provision for the disclosure of information where a current account is held by two or more debtors jointly.

Regulation 11 provides that information requirements in regulation 10 may be met by disclosing the information by means of the form set out in Schedule 3 in accordance with the regulation.

Regulation 12 makes provision for disclosure of information in relation to modifying agreements.

A transposition note and an impact assessment of the effect this instrument will have on the costs to business and the voluntary sector is available from the BIS website ([www.bis.gov.uk](http://www.bis.gov.uk)). They are also annexed to the Explanatory Memorandum which is available alongside the instrument on the OPSI website ([www.opsi.gov.uk](http://www.opsi.gov.uk)). Copies have been placed in the Libraries of both Houses of Parliament.

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STATUTORY INSTRUMENTS

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**2010 No. 1013**

**CONSUMER CREDIT**

The Consumer Credit (Disclosure of Information) Regulations  
2010

£5.50

