

## Terms of reference

On 20 December, 2004, the OFT sent us the following reference, as set out below:

The OFT, in exercise of its powers under section 131 of the Enterprise Act 2002, hereby makes a reference to the Competition Commission for an investigation into the supply of home credit (the reference goods and services) in the United Kingdom.

The OFT has reasonable grounds for suspecting that a feature or a combination of features of the market in which the reference goods and services are supplied prevent, restrict or distort competition in connection with the supply of the reference goods and services in the United Kingdom.

For the purposes of this reference:

- “home credit” means the provision of credit, typically small sum cash loans, the repayments for which are collected in instalments (often weekly or fortnightly) by collectors who call for that purpose at the customer’s home.

For the avoidance of doubt: “home credit” includes the provision of shopping vouchers, hampers and other goods on credit when these are used to attract customers for cash loans; and “small sum” does not imply any defined upper financial limit.

Dated: 20 December 2004

Signed:

**Penny Boys**  
**Executive Director**