Consumer Credit Act 1974

Information concerning the determination made by the Office of Fair Trading in respect of section 74(1)(b) of the Consumer Credit Act 1974

The Office of Fair Trading (“the OFT”) made a determination (“the Determination”) on 21 December 1989 under the powers conferred to it by sections 74(3) and (3A) and 183 of the Consumer Credit Act 1974 (“the CCA”). The Determination relates to section 74(1)(b) of the CCA and, broadly, sets out the circumstances in which that section shall apply.

Regulation 17 of the Consumer Credit (EU Directive) Regulations 2010 (as amended by the Consumer Credit (Amendment) Regulations 2010) (“the CCD Regulations”), which amends section 74(1) of the CCA, comes into force on 1 February 2011. Regulation 17 may also apply to a regulated consumer credit agreement before that date, in certain circumstances (see regulations 100 and 101A of the CCD Regulations). Section 74(1) as amended by regulation 17 does not refer to the making by the OFT of a determination.

Accordingly, the Determination will cease to have effect once regulation 17 comes into force on 1 February 2011 or in relation to any regulated consumer credit agreement to which regulation 17 applies before that date.

Firms are advised to read the CCD Regulations, together with the guidance issued by the Department for Business Innovation & Skills (BIS) in August 2010¹, to determine their obligations under the CCA as amended.