

the code





CCTA Code of Practice A Commitment to Responsible Lending

CCTA is committed to campaigning for best practices in lending through its comprehensive Code of Practice. The code demonstrates our continuing efforts to raise the standards, and increase the visibility and credibility of the credit industry.

“This Code of Practice provides a framework for compliance, and redress for customers.”

The purpose of this code, is to ensure the compliance of our members to the standards of 'good practice' set by CCTA. Following the code is an indication to both the Office of Fair Trading (OFT) and to your customers, that you are a reputable organisation, and can only add value to your business.

When issuing or renewing a consumer credit licence, the OFT guidance on fitness and requirements indicates that they look favourably on, any organisation which is a member of an association with an effective Code of Practice, that promotes compliance with Consumer Credit Law. They consider all applicants' 'credit competence', which includes:

- the skills and experience of an organisation to carry out, to a reasonable standard, the activities covered by the licence
- knowledge of, and ability to comply with, relevant regulation
- the practices and procedures an organisation proposes to operate, in connection with its licensable activities

Under our Code of Practice, CCTA operates a free Complaints Conciliation Scheme. It is an effective way of dealing promptly, sympathetically, fairly and effectively with

customer complaints, and is highly regarded by the OFT. Through our council, we monitor the compliance of members to the code, and issue an annual certificate as a condition of recruitment and renewal.

This code not only provides a framework for compliance, but also an avenue for customer redress. It offers reassurance to the public that you are a 'fair' company to deal with, and allied with your CCTA membership, confirms the quality, reliability and integrity of your organisation.

I commend the sound business judgement that has brought you to our door, and urge you to promote not only your adherence to this Code of Practice, but your CCTA membership itself.

Greg Stevens
CEO - CCTA

Consumer Credit Trade Association Code of Practice

1 THE ASSOCIATION AND THIS CODE

- 1.1 The Association represents finance houses, retailers, building societies, credit-brokers, professional firms, debt collection companies and others acting in providing credit, hire and leasing facilities and ancillary services to consumers and businesses.
- 1.2 The purpose of this Code is to ensure compliance by members with the minimum standards set by the Association.
- 1.3 The Association and its members shall publicise the existence of this Code and where appropriate provide details of the Complaints Procedure.

2 MONITORING AND COMPLIANCE

- 2.1 The Association, through its Council, shall monitor the compliance of members with the Code and will require members to compile an annual statement of compliance as a condition of membership of the Association.
- 2.2 Members shall promptly notify the Chief Executive or other officer nominated by the Council, of any matters which might adversely affect the reputation of the consumer credit industry or of the Association.
- 2.3 The Association, through its Council, may take action against any member found to be in breach of this Code. Such action may include visits, written warnings to the member, requests for written explanations and meetings to discuss the matter. The ultimate sanction which the Association may impose is the suspension or expulsion of a member from the Association.

3 GENERAL OBLIGATIONS: OBLIGATIONS OF MEMBERS WHICH APPLY IN ALL CIRCUMSTANCES

Members shall:

- 3.1 Conduct their business lawfully, comply with all relevant legislation, judicial decisions and general rulings of regulatory authorities.
- 3.2 Trade honestly, responsibly, ethically and treat customers fairly.
- 3.3 Behave at all times with integrity and endeavour to ensure that credit-brokers, suppliers of goods and services financed by the member and all other persons with whom the member has commercial relationships do likewise.
- 3.4 Act responsibly and with care in the day-to-day conduct of their business.
- 3.5 Not knowingly misrepresent facts to a customer concerning any aspect of a credit, hire or lease transaction. Members shall also take all reasonable steps to ensure that brokers, suppliers and any other intermediaries, when acting as agents of the member, do not misrepresent facts regarding such transactions to a customer.
- 3.6 Respect confidential information supplied to them in the course of their business.
- 3.7 Ensure that credit, hire or leasing documentation embodies all the express terms and conditions of the agreement which affect the customer's obligations.
- 3.8 Where appropriate, restrict the period of the agreement to the life of the asset financed.
- 3.9 Provide adequate training for members of their staff, bringing this Code and the principles contained in it to their attention and requiring them to carry out their duties in accordance with it.

- 3.10 Comply with obligations and any conditions which may be imposed by the Office of Fair Trading with regard to their respective licences under the Consumer Credit Act 1974.
- 3.11 Follow, where applicable, any requests conveyed by the Association and emanating from the Bank of England, the Office of Fair Trading, the Financial Services Authority (or other relevant authority), and the enforcement authorities.
- 3.12 Follow where applicable any guidance notes issued by the Association which refer to this section of the Code.
- 3.13 Ensure that their agreements (and any related agreements), the manner in which they enforce their agreements, their dealings with individuals (whether consumers or business customers) and anything done or not done by or on behalf of the member (either before or after the making of the agreement or any related agreement), do not give rise to unfair relationships between the member, as creditor, and the individual, as debtor, under the Consumer Credit Act 1974.

4 CONSUMER TRANSACTIONS

4.1 Advertising and Marketing

- 4.1.1 Members shall not use direct mail indiscriminately, shall act responsibly and prudently in their advertising and marketing and ensure that all their advertising is truthful and not misleading.
- 4.1.2 Members shall ensure that all advertising and promotional literature is fair and reasonable, does not contain misleading information and complies with all relevant legislation and, in particular, the provisions of the Consumer Credit Act 1974 relating to the marketing of credit to minors.
- 4.1.3 Members shall ensure that all advertising complies with the British Code of Advertising, Sales Promotion and Direct Marketing, the Radio Advertising Standards Code, the Television Advertising Standards Code, OFCOM and other relevant codes of practice of similar standing.
- 4.1.4 Members shall not engage in high pressure selling or other sales aggressive practices.

4.2 Responsible Lending

- 4.2.1 Members shall engage in responsible lending. Members shall grant credit, hire or leasing facilities on the basis of credit scoring or other assessment or evaluation of the customers' ability to borrow or hire, and the ability to repay.
- 4.2.2 Before granting credit, hire or lease facilities, members shall take all reasonable steps to satisfy themselves as to the customer's ability to repay, for example by searching a credit reference agency to discover the existing commitments of the customer.
- 4.2.3 Members shall take particular care in relation to applications for credit from young people.
- 4.2.4 Members shall continuously monitor their credit granting practices and their assessment techniques to ensure that they are prudent and realistic in the prevailing economic circumstances. They shall not be less rigorous in assessing the customer's ability to repay by reason of the sole fact that security is offered.
- 4.2.5 To the extent that they use credit scoring techniques, members shall abide by the principles set out in the publication "Guide to Credit Scoring 2000", as subsequently amended or updated. Where members do not use credit scoring techniques they should be prepared to make clear to a declined applicant whether or not a refusal relates to a credit reference agency report.
- 4.2.6 Members shall ensure that where a customer is refused credit and believes the refusal to be unreasonable the customer is given the name or title of a senior official who will review the application.
- 4.2.7 Members shall have due regard to any Guidelines issued by the Office of Fair Trading or other competent authority relating to the grant of credit, hire or leasing facilities to non-status or sub-prime customers.
- 4.2.8 Members shall provide appropriate assistance, in the form of information and guidance, to vulnerable customers.

- 4.3 The Regulated Agreement - Credit and Hire
- 4.3.1 Members shall use plain and intelligible English in all agreements, pre-contract information documents and communications with customers. Members shall use prescribed wording where that is required by law.
- 4.3.2 Members shall ensure that their agreements (and any related agreements) with consumers do not contain unfair contract terms.
- 4.3.3 Members shall tell customers the interest rates applicable to their accounts and agreements for credit, the basis on which other charges are calculated and when they will be charged.
- 4.3.4 Where members vary interest rates they shall publish those variations by notices in their branches, if any, or in the press, or direct to those customers affected and in any event, as required by law. The need to publish does not apply to agreements under which interest rates vary in accordance with a published rate not under the control of the member.
- 4.3.5 Members shall tell customers how any variation of the other terms and conditions of their agreement will be notified and shall give customers reasonable notice before any variation takes effect.
- 4.3.6 Members shall comply promptly with all statutory and other reasonable requests by customers for information about their agreements and accounts.
- 4.3.7 Members shall supply copies of documentation and statements of account (the latter being provided in an easily intelligible form) as required by law.
- 4.3.8 Members shall comply with their legal obligations in relation to the provision of information and cancellation rights in respect of distance contracts.
- 4.3.9 Members shall assist customers seeking advice and guidance.
- 4.4 Matters arising during the course of the Agreement
- 4.4.1 Members shall comply with their legal obligations in relation to the issue of statutory notices, statements of account and settlement statements.
- 4.4.2 Statutory notices, statements of account and settlement statements shall be clear and in plain, intelligible English.

5 HIGH NET WORTH DEBTORS AND HIRERS

- 5.1 Agreements with high net worth debtors and hirers

Where members enter into credit, hire or leasing agreements with high net worth debtors or hirers they shall:

 - (a) comply with all the obligations of members under this Code, except for those which relate specifically to regulated agreements under the Consumer Credit Act 1974
 - (b) comply specifically with sections 3.13 and 4.3.2 of this Code.

6 BUSINESS TRANSACTIONS

- 6.1 Agreements for business use

Where members enter into credit, hire or leasing agreements with an individual (debtor or hirer respectively), wholly or predominantly for the purposes of a business carried on or intended to be carried on by the individual (including a partnership of not more than three persons) and the credit amount or amount of requisite hire payments exceeds £25,000, they shall:

 - (a) comply with all the obligations of members under this Code, except for those which relate specifically to regulated agreements under the Consumer Credit Act 1974
 - (b) comply specifically with section 3.13 of this Code.

7 GENERAL INSURANCE

7.1 Selling insurance

A member offering general insurance, non-investment life assurance, payment or credit protection insurance or GAP insurance shall:

- (a) be an appointed representative or other authorised person under the Financial Services and Markets Act 2000
- (b) comply with all obligations under that Act and Rules in the FSA Handbook and specifically the "Insurance : New Conduct of Business Sourcebook (ICOB5)"
- (c) ensure adequate disclosure of insurance policy features and exclusions
- (d) ensure policy documents are sent to customers.

8 GUARANTEES AND OTHER SECURITY

8.1 Duty of care to guarantors

Members shall advise individuals proposing to give a guarantee or other security for a customer's liability that:

- (a) by giving the guarantee or security he or she might become liable instead of or as well as that customer
- (b) he or she should seek independent legal advice before entering into the guarantee or security.

8.2 Members shall be deemed to have complied with the requirements of 8.1 where guarantees and other securities contain a clear and prominent notice to the above effect.

9 SUPPLIERS OF GOODS AND SERVICES

9.1 Members' obligations in respect of suppliers

9.1.1 Members shall encourage suppliers of goods and services financed under arrangements with them to:

- (a) maintain high standards of quality, workmanship and service
- (b) observe and participate in appropriate codes of practice which include provision for the prohibition of high pressure selling and the discouragement of oppressive and intrusive methods of canvassing.

9.1.2 Clause 11.2.3 shall apply equally to suppliers. Members should in appropriate circumstances consider reporting an unsatisfactory supplier to a relevant trade association.

10 PROVISIONS APPLICABLE TO SPECIFIC PRODUCT TYPES

10.1 Credit Cards

10.1.1 In addition to the requirements in relation to regulated agreements set out in section 4.3 above, members shall:

- (a) tell customers the time it normally takes for a transaction to appear on their account and how frequently they can expect a statement
- (b) furnish customers with a "Summary Box" relating to the financial details applying to the account
- (c) furnish customers with a "Summary Box" relating to the financial details applying to credit-card cheques, where these are made available under the account.

10.1.2 Members shall:

- (a) issue cards to customers only when they have been requested in writing or to replace or renew cards that have already been issued

- (b) tell customers if a card issued by them has more than one function
 - (c) comply with requests from customers not to issue Personal Identification Numbers (PINs) where customers do not wish to use the functions operated by a PIN
 - (d) give customers the opportunity to say that they do not wish to receive credit-card cheques.
- 10.1.3 Members shall issue PINs separately from cards and shall notify the PIN only to the customer.
- 10.1.4 Members shall tell customers of their responsibility to take care of their cards and PINs in order to prevent fraud. They shall emphasise to customers that:
- (a) they should not allow anyone else to use their card and PIN
 - (b) they should take all reasonable steps to keep the card safe and the PIN secret at all times
 - (c) they should never write the PIN on the card or on anything usually kept with it
 - (d) they should never write the PIN down without making a reasonable attempt to disguise it.
- 10.1.5 Members shall:
- (a) inform customers, that they must tell them as soon as reasonably practicable after they find that:
 - their card has been lost or stolen
 - someone else knows their PIN
 - their account includes an item which seems to be wrong.
 - (b) tell their customers, and shall remind them at regular intervals on their statement or by other means, of the name, address and telephone number of the person to whom they must give the details of a lost or stolen card at any time, day or night
 - (c) act on telephone notification, but members may ask customers also to confirm in writing any details given by telephone
 - (d) on request, inform customers whether they accept notification of loss or theft of a card from card notification organisations
 - (e) on being advised of a loss, theft or possible misuse of a card or that the PIN has become known to someone else, take action to prevent further use of the card.
- 10.1.6
- (a) members shall bear the full losses arising from the use of a credit-card:
 - in the event of misuse when the card has not been received by the customer
 - in respect of transactions not authorised by the customer after the member has been told that the card has been lost or stolen or that someone else knows or may know the PIN (subject to paragraph (d) below)
 - if faults have occurred in the machines, or other systems used, which cause customers to suffer direct loss, unless the fault was obvious or advised by a message or notice on display
 - in connection with a 'distance contract' (other than an 'excepted contract').
 - (b) members' liability shall be limited to amounts wrongly charged to customers accounts and any interest on those amounts
 - (c) customers' liability for transactions not authorised by them shall be limited to a maximum of £50 (or such other amount as may be prescribed by law) in the event of misuse before the card issuer has been notified that a card has been lost or stolen or that someone else knows the PIN (subject to paragraph (d) below)
 - (d) customers shall be held liable for all losses if they have acted fraudulently. They may be held liable for all loss if they have acted with gross negligence
 - (e) in case of disputed transactions, the burden of providing fraud or gross negligence or that a card has been received by a customer, will lie with the member. In such cases, members will expect customers to cooperate fully with them in their investigations.

- 10.1.7 Members shall provide customers with statements of account at intervals and containing information as prescribed by law.
- 10.2 Store Cards
- 10.2.1 In addition to the provisions applying to credit cards (where applicable) as set out in section 10.1, members shall abide by the legal requirements applying to store cards as set out in the Store Cards Market Investigation Order of 27 July 2006.
- 10.3 Pre-paid Cards or Electronic Purses
- 10.3.1 Members offering pre-paid cards or electronic purses shall abide by the provisions which apply to them under the Financial Services and Markets Act 2000, regulations under that Act and Rules in the FSA Handbook.
- 10.4 Mortgages
- 10.4.1 The Consumer Credit Act 1974
- Members offering mortgages governed by the Consumer Credit Act 1974 (basically second legal mortgages and all equitable mortgages) shall comply with the Consumer Credit Act 1974, regulations under that Act, relevant codes of practice and this Code insofar as it is compatible with the foregoing.
- 10.4.2 Regulated Mortgage Contracts
- Members offering regulated mortgage contracts (basically first legal mortgages on residential property), including equity release mortgages, lifetime mortgages, home reversion plans and home purchase plans, shall comply with the Financial Services and Markets Act 2000, regulations under that Act, the FSA Handbook; the Mortgages Conduct of Business Sourcebook, relevant codes of practice and this Code insofar as it is compatible with the foregoing.
- 10.4.3 Other mortgages
- Members offering other types of mortgage, including exempt mortgages under the Consumer Credit Act 1974 shall comply with relevant laws, codes of practice and this Code insofar as it is compatible with the foregoing.

11 BROKERS

- 11.1 Members who are credit-brokers
- 11.1.1 Credit-brokers shall be licensed under the Consumer Credit Act 1974
- 11.1.2 Credit-brokers shall comply with the Consumer Credit Act 1974, regulations under that Act, relevant codes of practice and this Code insofar as it is compatible with the foregoing
- 11.2 Members' Obligations in respect of Credit-Brokers
- 11.2.1 Members shall not impose any pressure on the customer to enter into an agreement which the customer may find difficult to repay according to reasonable credit granting criteria. They shall also take reasonable steps to ensure that any credit-broker from whom they accept business does not impose any such pressure.
- 11.2.2 Before accepting business from a credit-broker for the first time, a member shall check that the credit-broker is properly licensed under the Consumer Credit Act 1974 and where the member intends to accept a flow of business from the credit-broker, the member shall:
- carry out such enquiries as may be reasonably necessary to satisfy the member of the integrity and competence of the credit-broker
 - bring the principles of this Code to the credit-broker's attention.
- 11.2.3 Members shall monitor generally the activities of credit-brokers from whom they accept business and in particular:
- take all reasonable steps to ensure that such credit-brokers act in accordance with the principles of this Code and in particular do not:

- (i) persuade or permit customers to sign blank application forms
- (ii) encourage or knowingly permit customers to provide false or misleading information.
- (b) decline to accept further business where a credit-broker falls below the requisite standards of integrity and competence or fails to comply with the applicable provisions of this Code after they have been brought to the credit-broker's attention and, in such circumstances, consider reporting to the OFT the credit-broker's failure to observe proper standards
- (c) report to the Association any relevant criminal conviction of a credit-broker of which the member becomes aware.

11.3 Members' Obligations in respect of Insurance Brokers

11.3.1 Before accepting business, including an introduction, from any insurance broker for the first time, members shall:

- (a) ensure that the broker is an appointed representative or other authorised person under the Financial Services and Markets Act 2000
- (b) bring the principles of this Code to the insurance broker's attention.

11.3.2 Members shall monitor generally the activities of insurance brokers from whom they accept business.

11.3.3 Members shall refuse to deal with an insurance broker who fails to act honestly or in accordance with the principles of this Code.

12 DEBT COLLECTION AGENCIES

12.1 Debt collection agencies shall be licensed under the Consumer Credit Act 1974

12.2 Debt collection agencies shall comply with the Consumer Credit Act 1974, regulations under that Act, relevant codes of practice, debt collection guidance issued by the Office of Fair Trading and this Code insofar as it is compatible with the foregoing.

13 DATA PROTECTION AND CONFIDENTIALITY OF CUSTOMER INFORMATION

13.1 Members shall respect personal information supplied to them by customers and shall inform customers of the purposes for which this information is intended to be used and disclosed, before it is given by the customer.

13.2 Where a banker-customer relationship exists members shall observe a strict duty of confidentiality about their customers' (and former customers') personal financial affairs and shall not disclose details of customers' accounts or their names and addresses to any third party, except for the purposes of filing with credit reference agencies and in the following cases:

- (a) where they are legally compelled to do so
- (b) where there is a duty to the public to disclose
- (c) where the interests of the member require disclosure
- (d) where disclosure is made at the request, or with the consent, of the customer.

Members shall not use exception (c) above to justify the disclosure for marketing purposes of details of customers' accounts or their names and addresses to any third party, including other companies within the same group.

13.3 Members who use the services of credit reference agencies and/or fraud prevention agencies shall ensure that any information they supply about customers and the conduct of their accounts to credit reference agencies and/or fraud prevention agencies is complete and accurate.

13.4 Members shall at all times comply with the Data Protection Act 1998 when obtaining and processing customers' personal data and shall explain to their customers that they have the right of access, under that Act, to their personal records held on computer files.

- 13.5 Members shall advise customers of their right not to receive marketing information from the member or a third party with whom the member is connected. Members shall comply in that regard with the requirements of the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003.

14 DEALING WITH CUSTOMERS EXPERIENCING FINANCIAL DIFFICULTIES

- 14.1 Members shall ensure, by regularly examining their debt collection procedures and those of any third parties they employ, that they conform to high ethical standards and allow for proper consideration of the customer's circumstances and in particular:
- (a) encourage customers in financial difficulties to inform them of their difficulties at the earliest possible moment (and members will endeavour to respond sympathetically, without prejudice to members' rights)
 - (b) provide in all relevant correspondence the name or title of a specially trained member of staff who may be contacted if difficulties arise
 - (c) take into consideration, before determining whether to enforce an agreement, all information supplied by the customer or otherwise in relation to the cause of any default and the customer's future ability to repay. If the customer has disclosed multiple debt problems, members shall inform the customer of the availability of advisory services.
- 14.2 Members shall, where appropriate, refer customers to debt counselling organisations and notify customers where they can get free advice, such as Citizens Advice Bureaux, Money Advice Centres, National Debtline, the Consumer Credit Counselling Service or Consumer Direct. Members will work with debt counselling organisations to assist their customers.
- 14.3 Members shall have due regard to the Debt Collection Guidance issued by the Office of Fair Trading and in particular shall not engage in any unfair business practices identified in that Guidance.
- 14.4 If a member passes a customer's account to another person to collect overdue payments, such as a debt collector or solicitor, it will inform the customer. Members will always choose debt collection firms which agree to abide by the Credit Services Association Code or OFT Debt Collection Guidelines.

15 COMPLAINTS PROCEDURE

- 15.1 General
- 15.1.1 Members shall deal promptly and at an appropriate management level with complaints. Members shall establish a complaints procedure and furnish information on request about their complaints procedure. Customers shall be told what further steps are available if they believe that their complaint has not been dealt with satisfactorily by the member, including ultimate resort to the Financial Ombudsman Service.
- 15.2 Customer Complaints
- The following shall apply to complaints made by customers to the Association in relation to customer transactions.
- 15.2.1 If a customer makes a complaint to the Association in relation to an account or an agreement with a member, the Association shall, in the first instance, refer the complaint to a senior executive of the member, for consideration.
- 15.2.2 If the complaint is not resolved to the customer's satisfaction, unless the customer wishes to refer the complaint to the Financial Ombudsman Service, the Association (through an appropriate representative) shall endeavour to conciliate between the customer and the member and to restore communication between the customer and the member where this has broken down. The Association shall accept for conciliation complaints made against members and subsidiary companies of members.

- 15.2.3 Nothing in this Code restricts or is intended to restrict the rights of a customer or a member to pursue remedies through the courts.
- 15.2.4 The conciliation procedure shall not be invoked where a customer's complaint has already been considered under the dispute resolution procedure of another Code of Practice or of the Financial Ombudsman Service, or has been the subject of a judicial decision.
- 15.2.5 Members shall notify customers of their complaints procedure, including the customer's right to seek resolution of the complaint under the Association's conciliation procedure and the Financial Ombudsman Service.

16 PREVENTION OF FRAUD AND MONEY LAUNDERING

- 16.1 Members shall satisfy themselves about the identity of a person seeking to enter into an agreement or to open an account, to assist in protecting their customers, members of the public and themselves against fraud and money laundering.
- 16.2 Members shall establish, maintain and implement fraud prevention and anti-money laundering procedures and client identification procedures and train their staff in operating such procedures.
- 16.3 Members shall comply with all relevant legislation and guidance relating to the prevention of fraud, money laundering and client identification including relevant Money Laundering Regulations and guidance issued by The Joint Money Laundering Steering Group.

17 INTERPRETATION

In this Code reference to Acts or Regulations shall be construed as such Acts or Regulations respectively, as amended or re-enacted from time to time.

18 FORMAL PROCEDURES

- 18.1 The Council may make such changes to this Code as it may consider appropriate from time to time, by a majority of the members of the Council present and voting. In the event of an equality of votes the Chairman of the Council shall have a casting vote in addition to the vote to which he is entitled as a member of the Council.
- 18.2 The Council shall give members at least 30 days' notice in writing of any changes to this Code.

Glossary of Terms

This glossary explains the meaning of certain words and phrases as used in the Code. They are not precise legal or technical definitions.

Agreement

A credit, hire or leasing agreement between a member and its customer.

Association

The Consumer Credit Trade Association.

Banker-Customer Relationship

For the purposes of this Code, a banker-customer relationship is confined to the operation by members of personal current and deposit accounts.

Card Notification Organisations

Companies which will, at the request of a card holder, maintain a record of all the cards held by a card holder and notify card issuers of the loss or theft of those cards.

Consumer

A customer who enters into a credit, hire or leasing agreement or opens an account with a member, other than for business purposes and 'consumer transaction' has the corresponding meaning.

Council

The Council of the Association, comprising such members as may be elected or nominated to it from time to time.

Credit Reference Agencies

Licensed companies that hold personal data about individuals. Members may refer to these agencies to assist with various decisions, e.g. whether or not to open an account or to provide loans or grant credit.

Credit or Payment Protection Insurance

A contract of insurance to provide a sum towards the payment of a debt in the event of one or more of the following:

(a) accident (b) sickness (c) unemployment (d) redundancy (e) death
of a debtor before the debt has been repaid.

Credit-Broker

A licensed person who introduces a customer to a company which will offer credit, hire or leasing facilities.

Distance Contract

A contract concluded between a member and a consumer without the simultaneous physical presence of the member and the consumer.

FSA

Financial Services Authority.

GAP

Guaranteed Asset Protection Insurance, usually to pay the difference between the car's pre-accident value and the outstanding balance under the loan agreement.

Guarantee

An undertaking given by a person (the guarantor) promising to pay the debts of the customer if the customer fails to do so.

High net worth debtor or hirer

A natural person who received during the previous financial year (i.e. the financial year ending 31st March immediately preceding the year in which the statement of high net worth is made) net income of not less than £150,000 or had throughout that year net assets totalling not less than £500,000.

OFT

Office of Fair Trading.

Payment Cards

A general term for any plastic card which may be used to pay for goods and services or to withdraw cash. A card may be used for more than one function.

Common examples are:

Cash Card - a card used to obtain cash and other services from an ATM (Automated Teller Machine/Cash Machine)

Charge Card - a card which enables customers to pay for purchases, and in some cases to obtain cash advances. When the monthly statement is received the balance must be paid in full

Cheque Guarantee Card - a card issued by a member which guarantees the payment of a cheque up to the amount shown on the card, provided its conditions of use are met

Credit Card - a card which allows customers to buy on credit and, in some cases, to obtain cash advances. Customers receive regular statements and may pay the balance in full, or in part, usually subject to a specified minimum amount. Interest is payable on outstanding balances

Debit Card - a card, operating as a substitute for a cheque, that can be used to obtain cash or make a payment at a point of sale. The customer's account is subsequently debited for such a transaction without deferment of payment

Store Card - a credit card offered by a retailer to be used in its shops and by its customers. Store card accounts may be either:

- option accounts, where a customer has the choice of settling the total amount outstanding or making a minimum repayment, with interest calculated on the balance outstanding
- budget accounts, where the customer has access to credit which is a multiple of a fixed monthly repayment.

PIN - Personal Identification Number

A confidential number provided on a strictly confidential basis by a card issuer to a card holder. Use of this number by the customer will allow the card to be used either to withdraw cash from an ATM or to authorise payments for goods or services in retail or other outlets, by means of a special terminal.

Regulated Mortgage Contract

A contract under which the lender provides credit to an individual, whose obligation to repay is secured by a first legal mortgage on land in the United Kingdom, at least 40% of which land is used, or intended to be used, as or in connection with a dwelling by the individual.

Security

A general word used to describe items of value such as share certificates, life policies etc, which represent property. Under a secured loan the lender has the right to sell the security if the loan is not repaid.

Statutory Provisions

References to statutes or other enactments are to those statutes or enactments as amended or re-enacted from time to time.



Does your business require standard compliant Consumer Credit Agreements?

CCTA supply an economic range of fully compliant agreements to suit a range of lending circumstances.

We ensure that our agreements are compliant at all times with the advice of our legal experts, and that you as a buyer of CCTA credit agreements are given the opportunity to purchase these in the best possible format to ensure that your business runs smoothly and efficiently. For Example:

Hard Copy Agreements: Pads of 25 self carbonated agreements that are then handwritten by yourselves and signed by your customers.

Overprinted Agreements: Hard copy documents can be printed with your own company details such as Company Name, Address, Telephone and even your company Logo.

Electronic Format: which can be embedded into your company computer system. You must hold a Copyright Licence in order to obtain the agreements in this way, and be a full CCTA member. Electronic agreements covered by a CCTA Copyright Licence are automatically updated **FREE OF CHARGE** if legislation changes.

CCTA agreements cover a range of credit and hire circumstances including:

- **Regulated and Unregulated Agreements**
- **Hire-purchase Agreements**
- **Hire and Leasing Agreements**
- **Fixed Sum Loan Agreements**
- **Credit Sale Agreements**
- **Guarantee and Indemnity forms**

Members of the association benefit from a discounted rate on all hard copy agreements.

For further information on CCTA agreements or to place an order, please contact a member of the CCTA team on

01274 714959

or email info@ccta.co.uk



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