

Credit (Further Amendment) Bill

EXPLANATORY MEMORANDUM

Clause 1 states the purpose of the Bill.

Clause 2 contains commencement provisions.

Clause 3 provides that in the Act the **Credit Act 1984** is called the Principal Act.

Clause 4 repeals section 24 (14) of the Principal Act.

Clause 5 provides for applications pursuant to section 85 of the Principal Act to be in the prescribed form.

Clause 6 amends section 85 of the Principal Act by allowing the Tribunal to give the parties directions as to the method of payment of any liability arising from a determination and by providing that a determination has effect only in respect of the breach to which it relates.

Clause 7 inserts a new provision into the Principal Act which provides that the civil penalty is stayed on the filing of an application under section 85 pending the disposal of the application subject to limitations on the enforcement or refinancing of contracts affected by the stay.

Clause 8 allows the Tribunal to authorise notice of an application by advertisement in large cases where it is impracticable to give personal notice and to make a determination in relation to all contracts of a specified class entered into during a specified period.

Clause 9 inserts a new provision into the Principal Act which will allow the Tribunal on application to declare whether a contract is in breach of the civil penalty provisions.

Clause 10 amends section 147 to make it clear that the Tribunal may have regard to any conduct in relation to the credit contract, guarantee or mortgage whether or not the conduct breaches the Principal Act or any other Act.

Clause 11 inserts provisions into the Principal Act. The first provides retrospectively that section 42 does not operate in certain circumstances relating to the disclosure of insurance commission.

The second provides retrospectively that the term “consumer credit insurance” prescribed in a regulation under 123 of the Principal Act is authorised to be used to describe insurance which includes insurance against unemployment.

The third and fourth provisions are transitional provisions.

Clause 12 inserts a provision into the Principal Act allowing certain applications to be made to the Credit Tribunal in respect of rights conferred under the **Moneylenders Act 1958**.

Clause 13 contains amendments to the schedule to the Principal Act which relate to the amendments in clause 11.

Clause 14 provides for minor amendments to the Principal Act.