

Home credit lending orders: guidance for lenders

1. This guidance explains the rights and obligations created by the Home Credit Market Investigation Order 2007 and the Home Credit Market Investigation Order 2007 Variation Order 2011. It is primarily aimed at lenders, but consumers may also find it useful.
2. Please note that this document is for guidance purposes only – not law – and cannot cover every eventuality. You should seek your own legal advice if you are unsure about how the orders apply to your situation.
3. Among other things, the [Home Credit Market Investigation Order 2007](#) ('the 2007 Order'), as amended by the [Home Credit Market Investigation Order 2007 Variation Order 2011](#) ('the 2011 Order'), requires home credit lenders to post details of all but their smallest loan products on www.lenderscompared.org.uk. Here, customers can compare prices and terms: this website also includes details of some credit union loans.

Home credit comparison website

4. Consumers can use the home credit comparison website, www.lenderscompared.org.uk, to obtain comprehensive data on home credit loans as well as certain other loans (see below), such as some credit union loans. Consumers can search for loans available in their own postcode area, making it easier to shop around and compare different lenders' offers.
5. Apart from home credit loans, the only loans that may be advertised on the website are those where:
 - the agreement provides for repayment by instalments
 - all or most instalments are expected to be paid in coins or bank notes¹
6. All home credit lenders must have published on the website certain details of all their loans, except details of any class of loan where they have written

¹ See Article 14(5) of the 2007 Order.

fewer than 100 loans in the last 12 months.² The details to be published are as follows:

- length of the agreement (in months if the borrower is paying by monthly instalments, or in weeks in any other case)
 - the total amount payable
 - the total charge for credit per £100 advanced
 - the frequency, number and amounts of repayments of credit per £100 advanced
 - the representative APR³
 - the (annual) rate of interest⁴
 - whether charges are made for late payments or for home collection and, if so, the nature and amounts of such charges
 - whether there are limitations on the circumstances under which the lender is prepared to lend, other than relating to the borrower's ability to pay, the area where they live or the maximum or minimum amount that can be lent
 - whether, within each class of loans, there are differences between agreements and what these differences are
 - the lender's name, postal address and a non-premium rate UK telephone number where they can be contacted
7. The same details must also be published in respect of other loans advertised on the website.⁵
8. Data on loans should be sent direct to the website by lenders themselves: see www.lenderscompared.org.uk for details of how to do this. Lenders who do not have access to the internet should contact Mike Hart at the Consumer Credit Association on 01244 312044. He will assist with putting details on the

² See Article 16 of the 2007 Order. Lenders who are uncertain about whether they are required to put details of loans on www.lenderscompared.org.uk because they have only written a small number of them, can contact the Competition and Markets Authority (CMA) for advice (see contact details below).

³ See [FCA handbook](#).

⁴ All of the information in the representative example must be shown together and of equal prominence, and must be more prominent than any other cost information and any information triggering the representative APR.

⁵ See Article 3.8 of the 2011 Order.

website. Data should not be sent to the CMA. Lenders are not charged for putting their loans on the website.⁶

Further information to be provided by home credit lenders

9. All home credit lenders must:

- provide a free account statement to customers on request, unless there has been a previous request in the preceding three months
- on annual statements and statements provided on request, include the following wording:

You are entitled to request one free statement per quarter or one per loan (whichever allows for more requests). We are required to provide you with a statement free of charge within seven days of receiving your request. You can compare our loans with other home credit loans available in your area by accessing the website.

- in advertisements (excluding those on the website itself and business cards) and payment books/cards, include the following statement:⁷

Compare the price of home collected and other cash loans available in your area at www.lenderscompared.org.uk.

- in documents for recording payments and advertisements delivered to customers, state the following:

All home credit customers are entitled to a free detailed statement once every three months, just ask.

Duty to supply information on request

10. Customers are entitled to ask home credit lenders for details of the terms on which they are willing to lend and to receive information on loan lengths, the total charge for credit per £100 advanced and the frequency, number and amounts of repayments of credit per £100 advanced.⁸

⁶ The overall costs of the site are met by the largest home credit lenders.

⁷ Articles 29, 30 and 31 of the 2007 Order refer, as modified by Articles 3.13 to 3.16 of the 2011 Order.

⁸ See Article 32 of the 2007 Order and Articles 3.6(2)(a), (b) and (c) of the 2011 Order.

Early repayment of loans

11. Customers must be given an early settlement statement.⁹ Part 5 of the 2007 Order affords customers the following additional rights to those in the Consumer Credit (Early Settlement) Regulations 2004¹⁰ by:
- shortening to 13 days from the 28-day period specified in the Regulations after the date on which the customer's notice is received by the lender as the basis for establishing the settlement date and the calculation of the sum to be paid by the customer to settle the loan
 - requiring the rebate on early settlement to be calculated on the basis of contractual repayments, rather than actual repayments¹¹ and
 - prohibiting lenders from deferring settlement dates on loans over a year long

Sharing data on customers

12. Home credit lenders with 60 or more agents and annual turnover in home credit of £2 million or more (as measured by the amount of interest they receive, not the value of loans provided) must do the following:
- share their customers' data with at least two credit reference agencies (CRAs)¹²
 - in relation to all agreements entered into after 4 October 2007, the customer must have agreed to share data with CRAs
 - in relation to all agreements entered into after 13 March 2008,¹³ the lender must generally have data-sharing contracts with at least two of the three CRAs named in the 2007 Order

CMA responsibilities

13. Under section 162 of the Enterprise Act 2002, the CMA is responsible for monitoring and enforcing both the orders.

⁹ See the Consumer Credit (Settlement Information) Regulations 1983.

¹⁰ As amended. See [The Consumer Credit \(EU Directive\) Regulations 2010](#); [The Consumer Credit \(Amendment\) Regulations 2010](#); and [The Consumer Credit \(Amendment\) Regulations 2011](#).

¹¹ Article 25(2) of the 2007 Order refers.

¹² As defined in Article 11(2) of the 2007 Order.

¹³ Article 12(3)(b) of the 2007 Order refers: the Order was made on 13 September 2007 and so Article 12 did not come into force until 13 March 2008, six months later.

Enquiries from lenders on website operation, including data entry

14. Lenders who have queries on the operation of, or data entry on, www.lenderscompared.org.uk should contact the LendersCompared team by clicking on 'Contact us' at the bottom of any page of the website. Alternatively, lenders should contact the Consumer Credit Association, *provided* it has been assisting with data entry.

Enquiries from consumers

15. Consumers who have queries on the use of www.lenderscompared.org.uk should go to the [FAQ](#) section on that website. More general queries on the operation of the orders should be sent to one or both of the CMA contacts listed below.

CMA contacts

16. These are as follows:

Natalie Lam: 020 3738 6129 or natalie.lam@cma.gsi.gov.uk; or

Bob MacDowall: 020 3738 6574 or bob.macdowall@cma.gsi.gov.uk

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November 2014