

Home Credit Market Investigation Order 2007 Variation Order 2024

1. On 20 December 2006, the Competition Commission (CC) published a report on its investigation of the home credit market in the UK. The CC found that there was a detrimental effect on customers resulting from the adverse effect on competition and set out a remedy package intended to address the adverse effect on competition which it had found.
2. The CC decided to implement the remedy package through an enforcement order made under section 161 of the Enterprise Act 2002 (the Act). The Home Credit Market Investigation Order 2007 (the Order) came into force on 4 October 2007.
3. On 24 February 2011 the CC varied the Order, by making The Home Credit Market Investigation Order 2007 Variation Order 2011, to take account of the change of circumstances arising from the coming into force of the Consumer Credit Directive.
4. Under section 162 of the Act, the Competition and Markets Authority (CMA) has a duty to keep under review and in particular to consider whether, by reason of any change of circumstances, an enforcement order made under section 161 of the Act is no longer appropriate and needs to be varied or revoked.
5. On 28 February 2024, the CMA consulted stakeholders on whether a relevant change of circumstances had taken place and, if so, whether Part 3 (articles 14 to 21), article 29 and Part 1 of Schedule 4 to the Order are no longer appropriate and needed to be varied or revoked.
6. On 12 July 2024 the CMA published its Provisional Decision on its Review of Part 3, Article 29, and Part 1 of Schedule 4 of the Home Credit Market Investigation Order 2007. For the reasons given in that provisional decision, the CMA provisionally concluded that a change of circumstances had taken place and that the Order should be varied.
7. On 17 September 2024, the CMA published its final report: Review of Part 3, Article 29, and Part 1 of Schedule 4 to the Home Credit Market Investigation Order 2007 and gave notice in accordance with paragraph 2 of Schedule 10

to the Act, as applied by section 165 of the Act, of its intention to vary the Order.

8. The CMA received one response following publication of the Notice of Intention. This was in support of the proposed variation order.

The Order

The CMA makes this order in exercise of its powers in section 161(4) of the Enterprise Act 2002, for the purpose of further varying the Home Credit Market Investigation Order 2007 as, by reason of a change of circumstances, certain provisions in the order are no longer appropriate and need to be varied or revoked.

The Home Credit Market Investigation Order 2007 was made to remedy, mitigate or prevent the adverse effect on competition and any detrimental effects on customers so far as they have resulted, or may be expected to result, from the adverse effect on competition specified in the report of the Competition Commission entitled *Home Credit Market Investigation* (30 November 2006).

1. Citation, Commencement and Purpose

- 1.1 This order may be cited as the 'Home Credit Market Investigation Order 2007 Variation Order 2024'.
- 1.2 This order shall come into force on 20 November 2024, which is the date the order was published.
- 1.3 The purpose of this order is to vary the Home Credit Market Investigation Order 2007.

2. Interpretation

- 2.1 The definitions, interpretations and meanings ascribed to words and expressions in the Home Credit Market Investigation Order 2007 apply to this order except where words and expressions are expressly defined.

3. Variations to the Home Credit Market Investigation Order 2007

- 3.1 in article 2(1) –
 - (a) omit the definition of 'CC' and insert "'CMA' means the Competition and Markets Authority."
 - (b) omit the definition of 'the Advertisement Regulations'.

- 3.2 In article 2.2 omit the definitions of -
 - (a) 'advertiser'
 - (b) 'licence'
 - (c) 'licensed'
 - (d) 'OFT'.
- 3.3 In article 7 for 'OFT' (in each place where it occurs) substitute 'CMA'.
- 3.4 In article 8 for 'CC' (in each place where it occurs) substitute 'CMA'.
- 3.5 In article 11(2)(a) for 'Callcredit Ltd' substitute 'Transunion International UK Limited'
- 3.6 In article 11(2)(b) for 'OFT' substitute 'CMA'.
- 3.7 In article 11(3)(a) for 'licensed' substitute 'authorised'.
- 3.8 Omit article 11(3)(b)
- 3.9 Omit articles 14 to 21 (which make provision about information required to be published on the relevant website) and the heading preceding article 14.
- 3.10 In article 27 for 'CC' substitute 'CMA'.
- 3.11 In the heading to article 28 for 'OFT' substitute 'CMA'.
- 3.12 Omit article 29.
- 3.13 In article 30(2)(a) for 'Parts 1 and 2' substitute 'Part 2'. In article 30(2) omit the opening words 'Subject to paragraphs (4) and (5),'
- 3.14 In article 30 omit paragraph (4).
- 3.15 In article 31(2) omit the words 'Subject to paragraphs (3) and (4)'.
- 3.16 In article 31(2)(a) omit the words 'in Parts 1 and 2' and substitute the words 'Part 2'.
- 3.17 In article 31 omit paragraphs (3), (4) and (5).
- 3.18 In article 32(2) omit the words 'the information described in article 17(2)(a), (b) and (c)' and substitute the words 'the following information'.
- 3.19 Following the words 'members of the public' add the words:

‘(a) the duration of such agreements expressed in months (in a case where repayments of credit are by monthly instalments) or in weeks (in any other case);

(b) the total charge for credit per £100 advanced, expressed in pounds and pence (rounded to the nearest penny);

(c) the frequency, number and amounts of repayments of credit, expressed in pounds and pence (rounded to the nearest penny) per £100 advanced to be made by the debtor under such agreements, on the assumption that the debtor complies with his obligation.’

3.20 In Schedule 1 omit the following –

‘Accredited operator	Article 15’
‘Advertiser	Article 2(2)’
‘APR (other than in the expression ‘rounded APR’)	Article 14(2)’
‘Authority	Article 14(4)’
‘CC	Article 2(1)’
‘Charge (for the purposes of article 17(2)(e) and (f))	Article 17(5)’
‘Class (in relation to home credit loan agreements)	Article 14(6)’
‘Class (in relation to special agreements)	Article 14(7)’
‘Enactment	Article 14(9)’
‘Holds himself out	Article 16(4)’
‘Large lender	Article 14(8)’
‘Licence	Article 2(2)’
‘Licensed	Article 2(2)’
‘Name	Article 14(3)’
‘OFT	Article 2(2)’
‘Postcode district	Article 19(3) and (4)’
‘Relevant date	Article 15’

	'Relevant website	Article 14(1)'
	'Repayment of credit	Article 14(1)'
	'Rounded APR	Article 14(1)'
	'Special credit agreement	Article 14(5)'
	'Special advertisement	Article 20(1)'
	'The 2007 Regulations	Article 22(2)(a)'
	'Total charge for credit	Article 14(1)'
	'Representative APR	Article 14(1)'
3.21	In Schedule 1 add	
	'CMA	Article 2(1)'
3.22	In Schedule 3 for 'OFT' (in each place where it occurs) substitute 'CMA'.	
3.23	In Schedule 4 omit part 1 and Note 1.	

Kirstin Baker

Chair of the Group

Competition and Markets Authority

20 November 2024

Explanatory Note

(This Note is not part of the Order)

1. The purpose of the Home Credit Market Investigation Order 2007 Variation Order 2024 is to vary the Home Credit Market Investigation Order 2007 (the Order).
2. On 17 September 2024 the CMA published its final decision that Part 3, Article 29 and Part 1 to Schedule 4 of the Order (the Relevant Provisions of the Order) are no longer appropriate by reason of the relevant changes of circumstances identified in paragraphs 2.9 to 2.15 of its Final Decision document. The CMA decided that the appropriate outcome was to remove the Relevant Provisions of

the Order and make consequential changes by means of a variation order. The final decision was accompanied by a Notice of Intention to vary the Order.

- 3 The variation removes the requirements set out in the Relevant Provisions of the Order, relating to the operation of a price comparison website. It also updates to the text of the Order where necessary to ensure consistency with the current regulatory landscape now supervised by the Financial Conduct Authority.
- 4 Section 167 of the Enterprise Act 2002 (the Act) places a duty on any person to whom this order applies to comply with it. Subject to the defences in the section, any person who suffers loss or damage due to a breach of this duty may bring an action. Section 167 of the Act also provides that the CMA can seek to enforce this order by civil proceedings for an injunction or for any other appropriate relief of remedy.
- 5 The CMA has a general duty to monitor the operation of a Competition Commission enforcement order under section 162 of the Act. This includes the duty to consider, from time to time, whether an enforcement order should be varied or revoked in the light of a change of circumstances.
- 6 Nothing in this Explanatory Note is legally binding. In the event of a conflict between this Explanatory Note and the provisions of this variation order or the Order, the variation order and the Order shall prevail.