

Chapter 5B

Cost cap for rent-to-own agreements



5B.1 Application and guidance

Application

5B.1.1

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This chapter applies:

- (1) to a **RTO firm** with respect to any **RTO agreement** that has been entered into on or after one of the following dates:
 - (a) for a **RTO agreement** that relates to *goods* that have not been offered or made available to *consumers* by the **RTO firm** immediately before 1 April 2019, that date; or
 - (b) for a **RTO agreement** that relates to any other *goods*, the earliest of the following dates:
 - (i) any date on or after 1 April 2019 on which the **RTO firm** has increased the *cash price* of the *goods* to which the agreement relates; or
 - (ii) 1 July 2019.

- (2) to a **RTO firm** with respect to an arrangement to vary or supplement an existing **RTO agreement** so as to supply one or more additional or different *goods* under that agreement, that has been entered into on or after one of the following dates:
 - (a) for an arrangement that relates to additional or different *goods* that have not been offered or made available to *consumers* by the **RTO firm** immediately before 1 April 2019, that date; or
 - (b) for an arrangement that relates to any other additional or different *goods*, the earliest of the following dates:

any date on or after 1 April 2019 on which the **RTO firm** has increased the *cash price* of the additional or different *goods*;
or

1 July 2019.

- (3) Where an **RTO firm** is a *micro-enterprise* the references in **CONC 5B.1.1R(1)(b)(ii)** and **CONC 5B.1.1R(2)(b)(ii)** to 1 July 2019 are to be read instead as references to 1 October 2019, and all other references to those provisions are to be read accordingly.

5B.1.2

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- (1) This chapter applies to **RTO firms** when they are entering into new **RTO agreements**, and when they are varying or supplementing an existing **RTO agreements** so as to supply additional or different *goods* under the agreement. This chapter does not therefore apply where

the variation or supplementation of an existing **RTO agreement** does not involve the supply of additional or different *goods*.

- (2) Where ■ CONC 5B.1.1R(2) applies, this chapter does not apply in relation to *goods* that had been supplied under an existing **RTO agreement** prior to the relevant date as provided in ■ CONC 5B.1.1R(2)(a) and ■ (b).

5B.1.3 **G** **RTO firms** are reminded that, as set out in ■ GEN 2.2.1R, the provisions of this chapter have to be interpreted in light of their purpose.

Guidance on application and interpretation.....

5B.1.4 **G** In this chapter, a word or term in bold (other than in headings and titles) has the meaning given in ■ CONC 5B.7.