

Chapter 5B

Cost cap for rent-to-own agreements



5B.3 Anti-avoidance

5B.3.1 **R** **RTO firms** must not attempt to recover revenue that may be lost due to compliance with the total cost of credit cap *rules* through the price for other *goods* or *services* provided by the **RTO firm** in connection with a **RTO agreement**.

- 5B.3.2** **G**
- (1) For example, **RTO firms** should not seek to increase the price of theft or accidental damage insurance, or extended warranties in order to recover revenue lost due to the cost cap *rules*.
 - (2) **RTO firms** are also reminded of the *rule* in ■ **CONC 7.7.5R** which states that *firms* must not impose charges on *customers* in default or arrears difficulties unless the charges are no higher than necessary to cover the reasonable costs to the *firm*.