

Chapter 6

Post contractual requirements

6.6 Pawn broking: conduct of business

Application

6.6.1

R

This section applies to:

- (1) a *firm* with respect to *consumer credit lending*;
- (2) a *firm* with respect to *consumer hiring*.

Failure to supply copies of pledge agreement etc

6.6.2

G

Sections 62 to 64 and 114(1) of the CCA continue to apply to a *regulated agreement* under which a *person* takes any article in *pawn*. A *firm* which fails to observe its obligations under those provisions may be subject to disciplinary action by the FCA.

[Note: section 115 of CCA]

Pawn records: relating to articles under a regulated credit agreement

6.6.3

R

A *firm* which takes any article in *pawn* under a *regulated credit agreement* must keep such books or other records as are sufficient to show and explain readily at any time all dealings with the article, including:

- (1) the taking of the article in *pawn*;
- (2) any redemption of the article; and
- (3) where the article has become realisable by the *firm*, any sale of the article under section 121(1) of the CCA.

[Note: regulation 2(1) of SI 1983/1565]

6.6.4

R

Without prejudice to the generality of **CONC 6.6.3 R**, the entries in the books or other records in respect of the dealings mentioned in **CONC 6.6.3 R (1)** to **CONC 6.6.3 R (3)** must contain the information in **CONC 6.6.7 R** to **CONC 6.6.9 R**.

[Note: regulation 2(2) of SI 1983/1565]

6.6.5 **R** Where the entries in relation to any article taken in *pawn* in ■ CONC 6.6.4 R are not shown together as a whole but are shown in separate places, then in each place where entries are made the record must show:

- (1) the date and the number or other reference of the agreement under which the article was taken in *pawn* and, where separate from any document embodying the agreement, the number or other reference of the pawn-receipt;
- (2) the date on which the article was taken in *pawn*; and
- (3) the name of the *customer*.

[Note: regulation 2(3) of SI 1983/1565]

6.6.6 **R** A *firm* must retain the books or other records required by ■ CONC 6.6.3 R at least until the expiration of whichever is the longer of the following periods:

- (1) five years from the date on which the article was taken in *pawn*; or
- (2) where an article has become realisable by the *firm*, three years from the date of sale under section 121(1) of the CCA or the redemption of the article, as the case may be.

[Note: regulation 2(4) of SI 1983/1565]

Information to be kept by a person who takes any article in pawn

6.6.7 **R** The entries in the books or other records, in relation to the taking of the article in *pawn*, must contain the following information:

- (1) the date and the number or other reference of the agreement under which the article was taken in *pawn*, and of the pawn-receipt if separate, sufficient to identify it or them;
- (2) the date on which the article was taken in *pawn*;
- (3) the name and a postal address and, where appropriate, other address of the *customer*;
- (4) the description that appears in the pawn-receipt of the article taken in *pawn*;
- (5) the amount of the *credit* secured by the *pledge*;
- (6) the date of the end of the redemption period; and
- (7) the rate of interest, and the amount or rate of any other charges for *credit*, as provided for in the agreement under which the article was take in *pawn*.

[Note: paragraph 1 of Schedule to SI 1983/1565]

6.6.8 **R** The entries in the books or other records in relation to any redemption of the article must contain the date of the redemption.

[Note: paragraph 2 of Schedule to SI 1983/1565]

6.6.9 **R** The entries in the books or other records, where the article has become realisable by the *firm*, in relation to any sale of the article under section 121(1) of the CCA, must contain the following information:

- (1) the date of the sale;
- (2) where the article was sold by auction, the name and a postal address of the auctioneer;
- (3) where the article was not sold by auction, the postal address of the premises at which the sale took place;
- (4) the gross amount realised;
- (5) the itemised expenses, if any, of the sale;
- (6) where (5) applies, the net proceeds of sale, being the difference between the gross amount in (4) and the total amount of the expenses in (5);
- (7) the amount which would have been payable under the agreement under which the article was taken in *pawn* if the article had been redeemed on the date of the sale;
- (8) where the net proceeds of sale are not less than the sum which, if the article taken in *pawn* had been redeemed on the date of the sale, would have been payable for its redemption, the amount of any surplus payable to the *customer*;
- (9) where (8) does not apply, the amount by which the net proceeds of sale fall short of the sum which would have been payable for the redemption of the article taken in *pawn* on the date of the sale, being the amount for which the *customer* remains liable under section 121(4) of the CCA;
- (10) the date on which any surplus in (8) was paid to the *customer*;
- (11) the date on which any amount in (9) for which the *customer* remained liable under section 121(4) of the CCA was received from the *customer*.

[Note: paragraph 3 to Schedule to SI 1983/1565]