

Chapter 2

Conduct of business standards: general

2.3 Conduct of business: lenders and restrictions on provision of credit card cheques

Application

2.3.1 **R** This section applies to a *firm* with respect to *consumer credit lending*.

General conduct

2.3.2 **R** A *firm* must explain the key features of a *regulated credit agreement* to enable the *customer* to make an informed choice as required by **CONC 4.2.5 R** (adequate explanations).

[Note: paragraph 2.2 of *ILG*]

2.3.3 **G** **CONC 6.7.2 R** requires a *firm* to monitor a *customer's* repayment record and take appropriate action where there are signs of actual or possible repayment difficulties.

2.3.4 **R** A *firm* must take reasonable steps to satisfy itself that any *credit brokers* with whom the *firm* deals are *authorised persons* or *appointed representatives*.

[Note: paragraph 1.27 of *CBG*]

Provision of credit card cheques

2.3.5 **R** (1) A *firm* may provide *credit card cheques* only to a *customer* who has asked for them.

[Note: section 51A(2) of *CCA*]

(2) A *firm* may provide *credit card cheques* only on a single occasion in respect of each request that is made.

[Note: section 51A(3) of *CCA*]

(3) The number of *credit card cheques* provided in respect of a request must not exceed three (or, if less, the number requested).

[Note: section 51A(4) of *CCA*]

(4) Where a single request is made for the provision of *credit card cheques* in connection with more than one *credit-token agreement*,

(2) and (3) apply as if a separate request had been made for each agreement.

[Note: section 51A(5) of CCA]

- (5) Where more than one request for the provision of *credit card cheques* is made in the same document or at the same time:
- (a) they may be provided in respect of only one of the requests, but
 - (b) if the requests relate to more than one *credit-token agreement*, in relation to each agreement they may be provided only in respect of one of the requests made in relation to that agreement.

[Note: section 51A(6) of CCA]

- (6) This rule does not apply to *credit card cheques* provided in connection with a *credit-token agreement* that is entered into by the *customer* wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by the *customer*.

[Note: section 51B(1) of CCA]

- (7) If a *credit-token agreement* includes a declaration made by the *customer* to the effect that the agreement is entered into as mentioned in (6), the agreement is treated for the purposes of (6) as having been so entered into.

[Note: section 51B(2) of CCA]

- (8) The declaration in (7) must be in the form and content set out in ■ CONC App 1 for the exemption relating to business.

- (9) Paragraph (7) does not apply if, when the agreement is entered into
- (a) the *lender*; or
 - (b) any *person* who has acted on behalf of the *lender* in connection with the entering into of the agreement;

knows, or has reasonable cause to suspect, that the agreement is not entered into as mentioned in (6).

[Note: section 51B(3) of CCA]

- (10) Where an agreement has two or more *lenders*, references in (9) to the *lender* are to any one or more of them.

[Note: section 51B(5) of CCA]