

Chapter 4

Pre-contractual requirements

4.7 Information to be provided in relation to current account agreements

		Application
4.7.1	R	This section applies to a <i>firm</i> with respect to <i>consumer credit lending</i> .
		Information on entering into current account
4.7.2	R	<p>(1) When a <i>firm</i> enters into a current account agreement where:</p> <ul style="list-style-type: none">(a) there is a possibility that the account-holder may be allowed to overdraw on the current account without a pre-arranged overdraft or exceed a pre-arranged overdraft limit; and(b) if the account-holder did so, this would be a <i>regulated credit agreement</i>; <p>the current account agreement must contain the information in (2) and (3).</p> <p>[Note: section 74A(1) of CCA]</p> <p>(2) The information required by (1) is:</p> <ul style="list-style-type: none">(a) the rate of interest charged on the amount by which the account-holder overdraws on the current account or exceeds the pre-arranged overdraft limit;(b) any conditions applicable to that rate;(c) any reference rate on which that rate is based;(d) information on any changes to that rate of interest (including the periods that the rate applies to and any conditions or procedure applicable to changing that rate); and(e) any other charges payable by the account holder under the agreement (and the conditions under which those charges may be varied). <p>[Note: section 74A(2) of CCA]</p> <p>(3) Where different rates of interest are charged in different circumstances, the <i>firm</i> must provide the information in (2)(a) to (d) in respect of each rate.</p> <p>[Note: section 74A(4) of CCA]</p> <p>[Note: article 18 of the <i>Consumer Credit Directive</i>]</p>

4.7.3

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Additional requirements in relation to certain current accounts

In addition to the *rules* in this section, *BCOBS* contains *rules* about information and tools to be provided to *customers* which may apply to *firms* that engage in *consumer credit lending* in connection with overdrafts on current accounts. In particular:

- (1) ■ **BCOBS 4.4** (Further information to be provided about personal current accounts) contains *rules* requiring certain *firms* that offer personal current accounts to provide information about overdrafts and other matters to applicants for certain types of current account, and to publish such information; and
- (2) ■ **BCOBS 8** (Tools for personal current account customers) contains *rules* requiring certain *firms* to make available tools to enable *banking customers* to:
 - (a) calculate the cost of overdrawing on a current account; and
 - (b) obtain an indication of the likelihood they will be approved for an *authorised non-business overdraft agreement* of a particular amount.