

Chapter 6

Post contractual requirements



6.3 Information to be provided on a current account agreement and on significant overdrawn

Application

- 6.3.1 R This section applies:
- (1) to a *firm* with respect to *consumer credit lending*; and

(2) where a *firm* has entered into a current account agreement where:

(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 *regulated credit agreement*.
- 6.3.2 R ■ CONC 6.3.3 R does not apply where the overdraft or excess would be secured on *land*.

Current account information

- 6.3.3 R A *firm* must provide to the account-holder, in writing, the information in ■ CONC 4.7.2R (2) at least annually.
- [Note: section 74A of CCA (partial implementation of article 18 of the *Consumer Credit Directive*)]

Information to be provided on significant overdrawn without prior arrangement

- 6.3.4 R
- (1) A *firm* must inform the account-holder in writing of the matters in (2) without delay where:

(a) the account-holder overdraws on the current account without a pre-arranged overdraft, or exceeds a pre-arranged overdraft limit, for a period exceeding one *month*;

(b) the amount of that overdraft or excess is significant throughout that period;

(c) the overdraft or excess is a *regulated credit agreement*; and

(d) the account-holder has not been informed in writing of the matters in (2) within that period.

- (2) The matters in (1) are:
 - (a) the fact that the account is overdrawn or the overdraft limit has been exceeded;
 - (b) the amount of that overdraft or excess;
 - (c) the rate of interest charged on it; and
 - (d) any other charges payable by the *customer* in relation to it (including any penalties and any interest on those charges).
- (3) For the purposes of (1)(b) the amount of the overdraft or excess is significant if:
 - (a) the account-holder is liable to pay a charge for which he would not otherwise be liable; or
 - (b) the overdraft or excess is likely to have an adverse effect on the *customer's* ability to receive further *credit* (including any effect on the information about the *customer* held by a *credit reference agency*); or
 - (c) it otherwise appears significant, having regard to all the circumstances.
- (4) Where the overdraft or excess is secured on *land*, (1)(a) is to be read as if the reference to one *month* were a reference to three *months*.

[Note: section 74B of CCA]

[Note: article 18 of the *Consumer Credit Directive*]