

Chapter 6

Post contractual requirements

6.4 Appropriation of payments

Application

6.4.1

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This section applies to

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

Appropriation

6.4.2

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- (1) Where a *firm* is entitled to payments from the same *customer* in respect of two or more *regulated agreements*, the *firm* must allow the *customer*, on making any payment in respect of those agreements which is not sufficient to discharge the total amount then due under all the agreements, to appropriate the sum paid by him:
 - (a) in or towards the satisfaction of the sum due under any one of the agreements; or
 - (b) in or towards the satisfaction of the sums due under any two or more of the agreements in such proportions as the *customer* thinks fit.

[Note: section 81(1) of CCA]

- (2) If the *customer* fails to make any such appropriation where one or more of the agreements is:
 - (a) a *hire-purchase agreement* or *conditional sale agreement*; or
 - (b) a *consumer hire agreement*; or
 - (c) an agreement in relation to which any *security* is provided;
 the *firm* must appropriate the payment towards satisfaction of the sums due under the agreements in the proportions which those sums bear to one another.

[Note: section 81(2) of CCA]