

Chapter 7

Arrears, default and recovery (including repossessions)

7.19 Notice of default sums under P2P agreements

[Note: Until the end of 30 September 2014, transitional provisions apply to ■ CONC 7.19: see ■ CONC TP 4.5]

Application

7.19.1 ■ This section applies to a *firm* with respect to *operating an electronic system in relation to lending* in relation to a *borrower* under a *P2P agreement*.

- 7.19.2** ■
- (1) Subject to (2), this section does not apply where the *P2P agreement* provides for *credit* of less than £50.
 - (2) Paragraph (1) does not apply where two or more *P2P agreements* in relation to the same *borrower* (but whether or not with the same *lender*) are entered into at or about the same time.
 - (3) Where (2) applies, the *firm's* obligation in ■ CONC 7.19.4 R applies as if all of the *P2P agreements* made with a *borrower* at or about the same time were a single agreement.

- 7.19.3** ■
- (1) In this section "default sum" means in relation to the *borrower* under a *P2P agreement*, a sum (other than a sum of interest) which is payable by the *borrower* under the agreement in connection with a breach of the agreement by the *borrower*.
 - (2) But a sum is not a default sum in relation to the *borrower* simply because as a consequence of the breach of the agreement the *borrower* is required to pay the sum earlier than would otherwise have been the case.

Notice of default sums

7.19.4 ■ Where a default sum becomes payable under a *P2P agreement* by the *borrower*, the *firm* must give notice to the *borrower* within 35 days of a default sum becoming payable by the *borrower*.

7.19.5 ■ The notice required by ■ CONC 7.19.4 R must contain:

- (1) a form of wording to the effect that it relates to default sums and is given in compliance with *FCA rules*;
- (2) the date of the notice;

- (3) a description of the agreement sufficient to identify it;
- (4) the *firm's* name, telephone number, postal address and, where appropriate, any other address;
- (5) the amount and nature of each default sum payable under the agreement which has not been the subject of a previous notice of default sums;
- (6) the date upon which each default sum referred to in the notice became payable under the agreement;
- (7) the following statement:

"This notice does not take account of default sums which we have already told you about in another default sum notice, whether or not those sums remain unpaid."; and
- (8) the total amount of all the default sums included in the notice.