

Chapter 7

Arrears, default and recovery (including repossessions)



7.5 Pursuing and recovering repayments

- 7.5.1

G

(1) Failure to comply with ■ CONC 6.5.2 R, which sets out when a *firm* must give notice to a *customer* where a *regulated credit agreement* has been assigned to a third party, will be taken into account by the *FCA* in taking decisions about a *firm's permission* or about taking other action.

[Note: paragraph 3.7g of DCG]

(2) ■ CONC 6.5.2 R makes it clear that where arrangements for servicing the *credit* change at the time of the assignment of a *regulated credit agreement*, notice must be given to the *customer* as soon as reasonably possible. A *firm* should give notice as required under that *rule* in order that any change should not adversely impact on a *customer's* existing repayment arrangements. In addition, if arrangements for servicing the debt otherwise change so far as the *customer* is concerned, the *firm* should notify the *customer* on or before that change.

[Note: paragraph 3.7h of DCG]
- 7.5.2

R

A *firm* must not pursue an *individual* whom the *firm* knows or believes might not be the *borrower* or *hirer* under a *credit agreement* or a *consumer hire agreement*.

[Note: paragraph 3.5f of DCG]
- 7.5.3

R

A *firm* must not ignore or disregard a *customer's* claim that a debt has been settled or is disputed and must not continue to make demands for payment without providing clear justification and/or evidence as to why the *customer's* claim is not valid.

[Note: paragraph 3.7o of DCG]
- 7.5.4

R

A *firm* acting on behalf of a *lender* or *owner* must, unless the *firm* has authority from the *lender* or *owner* to accept such an offer, refer a reasonable offer by the *customer* to pay by instalments to the *lender* or *owner*.

[Note: paragraph 3.9f of DCG]

- 7.5.5** **R** A *firm* acting on behalf of a *lender* or *owner* must pass on payments received from a *customer* and/or details of a *customer's* outstanding balance to the *lender* or *owner* in a timely manner or, provided the effect of the agreement does not impact adversely on the *customer*, in accordance with an agreement between the *firm* and *lender* or *owner* in question

[Note: paragraph 3.9g of DCG]

- 7.5.6** **G** A timely manner in **■ CONC 7.5.5 R** would normally be within five *working days* of receipt of payment by the *firm*.

[Note: paragraph 3.9g of DCG]