

Consumer Credit sourcebook

Chapter 8

Debt advice

8.4 Debt solution contracts

8.4.1 **R** A *firm* must provide a *customer* with a written contract setting out its terms and conditions for the provision of its services.

[Note: paragraph 3.40a of *DMG*]

8.4.2 **R** A *firm* must include in its written contract (other than a *credit agreement* to which the Consumer Credit (Agreements) Regulations 2010 apply) the following matters:

(1) the nature of the service to be provided by the *firm*, including the specific *debt solution* to be offered to the *customer*;

[Note: paragraph 3.40b of *DMG*]

(2) the duration of the contract;

[Note: paragraph 3.40c of *DMG*]

(3) the total cost of the *firm's* service or, where it is not possible to state the total cost, the formula the *firm* uses for calculating its fees or charges or an estimate of the anticipated likely total cost may be given;

[Note: paragraph 3.40c of *DMG*]

(4) the circumstances in which a *customer* may terminate the contract and receive a refund in accordance with relevant law and any fees or charges the *customer* may be required to pay in that case; and

[Note: paragraph 3.40d of *DMG*]

(5) set out the duration and conditions for exercise of any right to cancel that may apply and any fees or charges the *customer* may be required to pay.

[Note: paragraph 3.40e of *DMG*]

8.4.3 **R** A *firm* must not include the following terms in a contract with a *customer*:

(1) a term requiring the *customer* to sign a declaration stating in any way that the *customer* understands the requirements of the contract;

[Note: paragraph 3.41a of *DMG*]

- (2) a term restricting or prohibiting the *customer* from corresponding with or responding to a *lender* or with any *person* acting on behalf of a *lender*;

[Note: paragraph 3.41b of *DMG*]

- (3) a term which states or implies the *firm* has no liability to the *customer*; or

[Note: paragraph 3.41c of *DMG*]

- (4) a term which states or implies that there are no circumstances in which a *customer* is entitled to a refund.

[Note: paragraph 3.41d of *DMG*]

8.4.4

- G** A *firm* may be required to make a refund of its fees and charges, in whole or in part, if a *firm* fails to deliver its service in whole or in part or it has carried out the service without reasonable care and skill.