

HM Treasury call for information on Reforming the Consumer Credit Act 1974

Response to be sent to public.enquiries@hmtreasury.gov.uk by 17 March 2023.

This response is being sent on behalf of The Chartered Trading Standards Institute and has been compiled by Emma O'Brien, Director of Civil Affairs.

ABOUT CTI

Founded in 1961 as the Incorporated Society of Inspectors of Weights and Measures, the Chartered Trading Standards Institute (CTI) is one of the world's longest established organisations dedicated to the field of Trading Standards and Consumer Protection. In a further more than 150 years of progress, we remain immensely proud of our close association with the Trading Standards profession and the vital work it continues to do in promoting fair business practices, tackling rogue traders and ultimately protecting 78 million consumers.

At CTI, through the trading standards profession, we aim to promote good trading practices and to protect consumers. We strive to foster a strong vibrant economy by safeguarding the health, safety and wellbeing of citizens through empowering consumers, encouraging honest business and targeting rogue practices.

We provide information, guidance and evidence-based

that has to be supplied for all contracts that are not exempt. Although financial contracts are one of these exemptions, we raise this example to show that in other areas where there are contracts between businesses and consumers, certain information is mandatory. Therefore, considering the complexity and importance of these contracts, we would support mandatory information requirements to be prescribed and mandatory to ensure

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Question 17: What is your view on the usefulness of the right to voluntary termination and its role in protecting consumers. Are there improvements that could be made to the functioning of this right.

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Question 17: To what extent do the 5 MA and 50 regimes make the unfair relationship provisions unnecessary. If these provisions are to be kept in legislation with other rights and protections moving to 5CA rules, does this create more complexity and confusion for lenders and borrowers and what will be the effect on innovation in the sector.

As stated in the report, these provisions are well recognised by the courts and other important protections for consumers. Many of the consumer protection provisions in the 2014 cannot be replicated by the 2014 rules and so we do not believe that retaining this provision will cause more complexity and confusion as existing lenders are already familiar with these provisions and borrowers will have to refer to the 2014 or other protections that they have. There are to ensure these provisions are not weakened they should be retained in legislation.

Question 18: Would you be supportive of HM Treasury exploring the options for the 2014 (H) 8.43 (y) -

as the clothing industry often over-inflates these criminal provisions provide an enforcement mechanism and deterrent for businesses who may consider targeting minors.

The criminal provisions in relation to credit reference agencies' particularly failing to update or remove incorrect information on a consumer's credit file can also have a detrimental impact on consumers. We would support the retention of these protections.

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