

Baroness Wilcox

Parliamentary Secretary for Business,
Innovation and Skills

Lord Elystan-Morgan
House of Lords
London SW1A 0PW

16 January 2012

Dear Dafydd,

UNFAIR TERMS

Further to your question at Oral Questions in the Main Chamber on Tuesday 10 January, I agreed to write regarding what use is made by judges in England and Wales of the statutory powers that allow them to ameliorate or even to disallow conditions in a loan agreement that are unconscionably harsh.

Under Sections 140A-B of the Consumer Credit Act 1974, the court can determine whether the relationship between a lender and borrower is unfair and, if so, it has the power to alter the terms of the loan/credit agreement, reduce the amount payable and/or impose additional requirements on lenders.

The Office of Fair trading has a list of cases on its website of those cases in which the court has been asked to consider making an order under the relevant sections, www.offt.gov.uk.

I am placing a copy of this letter in the Library of the House.

*yours ever
Judith*

BARONESS WILCOX

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www.bis.gov.uk