

Mr Bailey

**TIME PAYMENT AND CREDIT TRADING
PURCHASERS PROTECTION**

ANALYSIS

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A BILL INTITULED

An Act to make better provision for the protection of time payment and credit purchasers

BE IT ENACTED by the General Assembly of New Zealand
5 in Parliament assembled, and by the authority of the same, as follows:

1. **Short Title**—This Act may be cited as the Time Payment and Credit Trading Purchasers Protection Act 1966, and shall be read together with and deemed part of the Hire Purchase
10 Agreements Act 1939 (hereinafter referred to as the principal Act).

No. 27—1

Price 6d.

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2. Interpretation—In this Act, unless the context otherwise requires—

“Time payment” means an agreement whereby goods are purchased by instalments:

“Credit trading” means where credit is extended for the purchase of goods. 5

3. Summary of agreement to be agreed to by vendor and purchaser—Every agreement for the sale of goods which makes provision for time payment or a grant of credit, shall be in a form on which is set out clearly in bold type, of a size not less than twelve point, the following: 10

- (a) The cash price of goods:
- (b) The effective annual interest rate:
- (c) The total cost inclusive of all charges:
- (d) List individually all other charges: 15
- (e) The number of instalments:
- (f) The amount of each instalment:
- (g) The intervals of instalments.

4. Agreement obligations of vendor—The vendor shall—

- (a) Fully explain to the purchaser prior to the signing of the agreement, the terms and obligations contained therein: 20
- (b) Enter the financial details in the agreement before the agreement is signed:
- (c) Submit the agreement to the purchaser prior to the delivery of the goods which have been purchased under the terms of this Act: 25
- (d) Give a signed copy of the agreement to the purchaser, free of charge, within seven days of the signing of the agreement entered into under the terms of this Act. 30

5. No legal right to contract out of common law or statutory rights—No agreement may be entered into which permits either party to the agreement to contract out of the principal Act or any common law or statutory rights to which either party would otherwise be entitled. 35

6. Right to terminate proposed sale other than those made at a registered retail establishment—(1) The purchaser shall have the right to—

- 5 (a) Terminate a proposed sale within seventy-two hours of the receipt by him of a signed copy of the full agreement as set out in this Act:
- (b) Exercise such right by notifying the vendor in writing, that he does not wish to proceed with the purchase.
- 10 (2) On receiving notification that the purchaser does not wish to proceed with the purchase, the vendor shall immediately refund to the purchaser in full, any deposits or consideration he may have made.
- (3) Nothing in this section shall apply to sales made at a registered retail establishment.

15 **7. Repossession of goods following breached agreement—**

- (1) Once the purchaser has breached any agreement to which this Act applies, the vendor may, after giving fourteen days notice in writing and forwarding to the purchaser a copy of the original agreement, repossess the goods if the purchaser
- 20 has not met fifty percent or more of the purchasing cost.
- (2) If the purchaser has met fifty percent of the cost of purchasing the goods, repossession of the goods may not take place without a Magistrate's Court order.

25 **8. Repossessed goods to be held for a period—**(1) Once the vendor has repossessed the goods under the terms of this Act, twenty-eight clear days shall be allowed to elapse before any work is commenced on the goods or a re-sale made.

(2) Before any work is commenced on the repossessed goods a detailed appraisal must be made and placed before the

30 purchaser offering him seven days to object and or obtain alternative estimates of work to be done.

(3) In the event of a dispute arising under this section, an independent valuation shall be made by a competent party,

35 involved in the dispute or in default of agreement, appointed by the Court.

9. Repossession may be waived—(1) If the purchaser has met fifty percent of the cost of purchasing the goods, repossession of the goods may not take place without a Court

40 order.

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(2) Once half the cost of the goods has been met by the purchaser, the Court may postpone the operation of a repossession on condition that the balance outstanding is paid in such manner as the Court thinks just.

10. **Purchaser's right to terminate agreement**—The purchaser may terminate any agreement made under this Act, by making payment of the balance due on goods, and shall receive a rebate of interest terms and insurance charges in respect of any period which has not then elapsed. 5

11. **Insurance cover**—(1) The purchaser shall have the right to nominate the insurance company that he wishes. 10

(2) Where the purchaser pays the cost of the insurance then the insurance cover shall be taken out in the purchaser's name.

12. **Regulations**—(1) The Governor-General may from time to time by Order in Council make all such regulations as may be necessary or expedient for giving full effect to this Act and for the due administration thereof. 15

(2) Without limiting the generality of subsection (1) of this section, it is hereby declared that regulations may be made under this section for all or any of the following purposes: 20

- (a) Prescribing the effective annual interest rate that may be charged by the vendor:
- (b) Prescribing the amount of interest that may be charged by the vendor on overdue instalments: 25
- (c) Prescribing the limit on repossession charges that may be made by the vendor.