

Mortgage advice

CF6 July 2015 edition

Web update 2: 18 November 2015

Please note the following updates (amendments in **bold** type) to your copy of the July 2015 edition of the **CF6: Mortgage advice** study text:

Chapter 2, section F1, page 2/11

Add the following at the end of the paragraph beginning 'The law of contract has evolved':

It should be noted that the Consumer Rights Act 2015, which came into force on 1 October 2015, replaced the Unfair Contract Terms Act 1977 and the Unfair Terms in Consumer Contracts Regulations 1999.

Chapter 2, section F3E, page 2/15

Add the following at the end of the section:

Be aware

The Consumer Rights Act 2015, which came into force on 1 October 2015, amends or replaces the Sale of Goods Act 1979, the Supply of Goods and Services Act 1982, the Unfair Contract Terms Act 1977 and the Unfair Terms in Consumer Contract Regulations 1999. The Act seeks to reform and simplify UK consumer law, which had become complex and outdated, previously being set out in eight separate pieces of legislation. It aims to make things clearer for consumers when trying to understand their rights and the remedies available to them if things go wrong.

To read more about the Act, visit www.which.co.uk/consumer-rights/regulation/consumer-rights-act



Chapter 2, self-test questions, page 2/22

Delete question 9.

Chapter 5, section C2, page 5/7

Amend the second and third paragraphs as follows:

In May 2008, the Consumer Protection from Unfair Trading Regulations came into force, implementing the European Union's Unfair Commercial Practices Directive. As a result, consumers were protected by two similar laws, though most often the Property Misdescriptions Act was relied on to seek redress. **These trading regulations were further strengthened by the Consumer Protection (Amendment) Regulations 2014.**

Following consultations, the government decided to remove the duplicate legislation by repealing the Property Misdescriptions Act and the order to repeal it came into force on 1 October 2013. Consumers are now solely protected by the **Consumer Protection (Amendment) Regulations 2014.**

Chapter 7, section B3, pages 7/4 to 7/5

Add the following at the end of the third paragraph:

It should be noted that this Act has now been replaced by the Consumer Rights Act 2015, which came into force on 1 October 2015.

Amend the seventh paragraph, which begins 'A further test of...', to read:

A further test of the disclaimer now arises from the **Consumer Rights Act 2015**. **This Act permits** a court to set aside a clause in a contract (not the entire contract) if in the opinion of the court that clause fails a 'fairness' test. The clause may be deemed **unfair** if is **not transparent or prominent**. **A transparent clause is one which is expressed in plain and intelligible language, and a prominent clause is one which is brought to the consumer's attention in such a way that an average consumer would be aware of it. The Act defines an average consumer as one who is 'reasonably well informed, observant and circumspect'**. **To avoid challenges for unfairness, insurers will need to ensure that the significant terms included in their insurance contracts with consumers meet the rules on transparency and are communicated in a prominent fashion. The disclaimer** should be incorporated in the valuation report and some reports now include the disclaimer in a different colour to the main text or in a box. In some cases, applicants are asked to sign the disclaimer to confirm they have read it.

Amend Question 7.2 to read:

How can a valuer minimise the risk of disclaimers being considered to be '**unfair**' under the **Consumer Rights Act 2015**?

Chapter 12, section A9, page 12/5

Please remove references to 'Disability Allowance' and 'Attendance Allowance' from the following text:



The impact of savings on benefits

Several State benefits are means tested, and having savings in excess of £16,000 may mean that entitlement is lost. These benefits include Income Support (including SMI), Housing Benefit, Council Tax Support, **Disability Allowance** and **Attendance Allowance**.

The final sentence should now read:

These benefits include Income Support (including SMI), Housing Benefit and Council Tax Support.

Chapter 2 self-test answers, page iv (at the back of the book)

Delete answer 9.