

Advanced mortgage advice

R07 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 **R07: Advanced mortgage advice** study text:

Chapter 4, section B1, page 4/3

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 that it would be sensible to remove the duplicate legislation by repealing the Property Misdescriptions Act. The Act was repealed by the Property Misdescriptions Act 1991 (Repeal) Order 2013, which came into effect on 1 October 2013. Consumers are now solely protected by the **Consumer Protection (Amendment) Regulations 2014**, which offer greater protection for the buyer.

Chapter 4, Key points, page 4/21

Amend the third bullet point underneath 'Role of the estate agent' as follows:

They are regulated under various pieces of legislation. The two key acts are the Estate Agents Act 1979 and the **Consumer Protection (Amendment) Regulations 2014**.

Chapter 5, section A2, pages 5/3 to 5/4

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It should be noted that this Act has now been replaced by the Consumer Rights Act 2015, which came into force on 1 October 2015.

Delete the seventh paragraph, which begins 'A further test of...', and replace it with the following text:

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.**

Chapter 4 self-test answers, page vi (at the back of the book)

Amend answer 2 to read:

Consumer Protection (Amendment) Regulations 2014.