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BILL

TO

Prevent excessive charges, fees or costs being levied on consumers.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Prohibition of excessive fees or charges on consumers

- (1) In any agreement regulated under the Consumer Credit Act 1974 or any contract where one of the parties is a consumer it shall be unlawful to impose a charge, fee or series of charges and fees for a consumer's default or failure to do something under that contract which is greater than 2.5% of the actual value of the default or failure.
- (2) In any contract for the provision of banking services regulated under the Consumer Credit Act 1974 where a consumer exceeds or attempts to exceed their agreed overdraft limit or funds available, it shall be unlawful for the provider of that contract to impose a charge, fee or series of charges or fees in excess of 2.5% of the actual value of the sum the consumer exceeds or attempts to exceed their agreed overdraft limit or funds available by.
- (3) In this Act, "consumer" means any natural person who, in contracts covered by this Act, is acting for purposes which are outside his or her trade, business or profession.