



Isle of Man

Ellan Vannin

AT 10 of 1973

HIRE-PURCHASE ACT 1973



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**Isle of Man***Ellan Vannin*

HIRE-PURCHASE ACT 1973

<i>Received Royal Assent:</i>	<i>18 April 1973</i>
<i>Passed:</i>	<i>16 May 1973</i>
<i>Commenced:</i>	<i>16 May 1973</i>

AN ACT to amend the law relating to hire-purchase and credit-sale and for purposes connected therewith.

1 Extension of application of Hire-Purchase Act 1939

[HPA P1964/1]

- (1) The Hire-Purchase Act 1939 (in this Act referred to as “**the principal Act**”) shall apply as amended by subsection (3) of this section to all hire-purchase agreements and credit-sale agreements under which the hire-purchase price or total purchase price, as the case may be, does not exceed £2,000.
- (2) [Amends section 2 of the *Hire-Purchase Act 1939*.]
- (3) [Amends section 5 of the *Hire-Purchase Act 1939*.]

2 Conditional sale agreements

[P1964/2]

- (1) In the principal Act “**credit-sale agreement**” shall not include a conditional sale agreement.
- (2) In the following provisions of this section any reference to a conditional sale agreement to which this section applies is a reference to a conditional sale agreement under which the total purchase price does not exceed £2,000.
- (3) The provisions of the principal Act (except section 20 thereof) and of the *Hire-Purchase Act 1955* relating to hire-purchase agreements shall have effect in relation to all conditional sale agreements to which this section applies as they have effect in relation to hire-purchase agreements to which the principal Act applies, subject to the exceptions and modifications specified in Part I of Schedule 1 to this Act.

- (4) Without prejudice to the last preceding subsection, the enactments specified in Part II of Schedule 1 to this Act shall have effect subject to the provisions of that Part of that Schedule.
- (5) In this section 'conditional sale agreement' means an agreement for the sale of goods under which —
 - (a) the purchase price or part of it is payable by instalments, and
 - (b) the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled,and 'total purchase price' means the total sum payable by the buyer under a conditional sale agreement, exclusive of any sum payable as a penalty or as compensation for a breach of the agreement.

2A Treasury may amend provisions by order

- (1) If it appears to the Treasury that the limits specified in section 2 of the *Hire-Purchase Act 1939* and section 2(2) of this Act should be raised, or further raised, as the case may be, the Treasury may by order amend or further amend those sections so as to substitute, for the sum so specified, such larger sum as may be specified in the order.
- (2) An order under subsection (1) may contain such transitional and consequential provisions as the Treasury thinks necessary, and may amend any provision of any enactment which appears to the Treasury to be inconsistent with, or unnecessary or requires amendment in consequence of the order.
- (3) An order under subsection (1) shall not come into operation until it has been approved by Tynwald.¹

3 Minor and consequential amendments

[P1964/34]

- (1) Without prejudice to any amendments having effect by virtue of the preceding provisions of this Act, the enactments specified in Schedule 2 to this Act shall have effect subject to the amendments specified in that Schedule, being minor amendments or amendments consequential upon the preceding provisions of this Act.
- (2) [Repealed]²

4 Transitional provisions

[P1964/35]

The transitional provisions contained in Schedule 4 to this Act shall have effect with respect to the operation of this Act.

5 Short title and commencement

- (1) This Act may be cited as the Hire-Purchase Act 1973 and shall be construed as one with the Hire-Purchase Acts 1939 and 1955, and those Acts and this Act may together be cited as the Hire-Purchase Acts 1939 to 1973.
- (2) This Act shall come into operation when the Royal Assent thereto has been by the Governor announced to Tynwald and a certificate thereof has been signed by the Governor and the Speaker of the House of Keys.

Schedule 1

APPLICATION OF ENACTMENTS TO CONDITIONAL SALE AGREEMENTS

Section 2

PART I – EXCEPTIONS AND MODIFICATIONS REFERRED TO
IN SECTION 2(3)

1. The provisions of this Part of this Schedule shall have effect for the purposes of section 2(3) of this Act; and in this Part of this Schedule “**conditional sale agreement**” and “**total purchase price**” have the meanings assigned to them by section 2(5) of this Act.
2. Subject to paragraph 4 of this Schedule, the provisions specified in section 2(3) of this Act shall have effect as therein mentioned as if —
 - (a) any reference to a hirer were a reference to a buyer;
 - (b) any reference to an owner were a reference to a seller;
 - (c) any reference to hire-purchase price were a reference to total purchase price;
 - (d) any reference to hire-rent were a reference to instalments of the purchase price; and
 - (e) any reference to goods let under a hire-purchase agreement were a reference to goods agreed to be sold under a conditional sale agreement.
3. In sections 6(c), 12(3) and 15(1) of the principal Act the words ‘or the bailment’ shall be omitted.
4. In section 14(1) of the principal Act, for the words ‘the hirer shall be deemed to be a bailee of the goods under and on the terms of the hire-purchase agreement’ there shall be substituted the words ‘the buyer shall be deemed to be in possession of the goods under and on the terms of the conditional sale agreement, other than any term providing for the property in the goods to vest in the buyer at any time before the payment of the whole of the total purchase price (as defined by section 2(5) of the Hire-Purchase Act 1973)’.
5. (1) Where goods have been sold under a conditional sale agreement and the property in the goods, having become vested in the buyer, is transferred to a person who does not become the buyer under the agreement, the buyer shall no longer be entitled to determine the agreement under section 5 of the principal Act.
(2) Subject to the preceding paragraph, where a buyer under a conditional sale agreement determines the agreement under section 5 of the principal Act after the property in the goods has become vested in him, the property in the goods shall

thereupon vest in the person (in this sub-paragraph referred to as ‘the previous owner’) in whom it was vested immediately before it became vested in the buyer:

Provided that if the previous owner has died, or any other event has occurred whereby that property, if vested in him immediately before that event, would thereupon have vested in some other person, the property shall be treated as having devolved as if it had been vested in the previous owner immediately before his death or immediately before that event, as the case may be.

6. (1) The definition of ‘buyer’ and ‘seller’ in section 21(1) of the principal Act shall not apply to conditional sale agreements.

(2) In this Part of this Schedule —

(a) “**buyer**”, in relation to a conditional sale agreement, means the person who agrees to purchase goods under the agreement and includes a person to whom the rights or liabilities of that person under the agreement have passed by assignment or by operation of law;

(b) “**seller**”, in relation to a conditional sale agreement, means the person who agrees to sell goods under the agreement and includes a person (other than the buyer) to whom that person’s property in the goods or any of that person’s rights or liabilities under the agreement has passed by assignment or by operation of law.

PART II – CONSEQUENTIAL EXCEPTIONS AND MODIFICATIONS

7. In this Part of this Schedule “**conditional sale agreement**” means a conditional sale agreement to which section 2 of this Act applies, as defined by subsections (2) and (5) of that section, and “**buyer**” and “**seller**” have the meanings assigned to them by paragraph 6 of this Schedule.³

8. For the purposes of section 25 of the Sale of Goods Act 1983 (under which, notwithstanding that the property in the goods has not been transferred to him, a person who has bought or agreed to buy goods and is in possession of them can confer a good title to the goods) the buyer under a conditional sale agreement shall be deemed not to be a person who has bought or agreed to buy goods.⁴

9 and 10. [Repealed]⁵

11. In section 10 of the principal Act the reference to payments in respect of two or more hire-purchase agreements shall include a reference to payments in respect of one or more hire-purchase agreements and one or more conditional sale agreements, as well as a reference to payments in respect of two or more conditional sale agreements.

12. Section 16 of the principal Act shall have effect where —

- (a) after the making of a hire-purchase agreement, the owner, as seller, makes a conditional sale agreement with the hirer, as buyer; or
- (b) after the making of a conditional sale agreement, the seller, as owner, makes a hire-purchase agreement with the buyer as hirer, as it has effect where both agreements are hire-purchase agreements or both are conditional sale agreements.

Schedule 2⁶

Section 3

Schedule 3⁷

Schedule 4

TRANSITIONAL PROVISIONS

Section 4

1. Section 20 of the principal Act (which provides for the limited application of certain provisions of that Act to agreements made before the commencement of the Act and in all other respects excludes such agreements from that Act) shall have effect in relation —

- (a) to hire-purchase agreements of a class to which the principal Act applies by virtue only of subsections (1) and (2) of section 1 of this Act; and
- (b) to conditional sale agreements to which section 2 of this Act applies,
as if any reference in the said section 20 to the commencement of the principal Act were a reference to the commencement of this Act.

2. Except as provided by the preceding paragraph this Act shall not have effect in relation to any hire-purchase agreement, credit-sale agreement or conditional sale agreement made before the commencement of this Act.

3. For the purpose of the operation of this Schedule in relation to conditional sale agreements —

- (a) any reference in section 20 of the principal Act to a hire-purchase agreement shall be construed as a reference to a conditional sale agreement;
- (b) that section shall be construed subject to the modifications specified in sub-paragraphs (a) to (e) of paragraph 2 of Schedule 1 to this Act;

- (c) any reference in that section to any other provision of the principal Act shall be construed as a reference to that provision as modified by that Schedule.

4. Section 21(1) of the principal Act shall have effect for the purposes of this Schedule as it has effect for the purposes of that Act.

ENDNOTES

Table of Legislation History

Legislation	Year and No	Commencement

Table of Renumbered Provisions

Original	Current

Table of Endnote References

¹ S 2A inserted by Treasury Act 1985 Sch 2.

² Subs (2) repealed by Statute Law Revision Act 1983 Sch 2.

³ Para 7 substituted by Supply of Goods and Services Act 1996 Sch 3.

⁴ Para 8 amended by Sale of Goods Act 1983 Sch 2.

⁵ Paras 9 and 10 repealed by Supply of Goods (Implied Terms) Act 1976 s 16.

⁶ Sch 2 amends the Hire-Purchase Act 1939 q.v.

⁷ Sch 3 repealed by Statute Law Revision Act 1983 Sch 2.