Regulated Party

The Consumer Credit Act (CCA) is the legislation that protects the rights of consumers and sets out how financial services firms must deal with parties subject to the legislation.

This legislation determines how firms that lend money or offer goods and services on credit conduct their business and advertise those products, as well as requiring them to be licensed by the Financial Conduct Authority (FCA).

A party that is subject to the protections provided by the CCA is defined as a Regulated Party

Regulated Party's include:

a) Individuals (people) which would include individuals acting as trustees.

b) Sole traders.

c) Partnerships (not including body corporates as partners) where there are three or less partners.

d) Unincorporated bodies (such as clubs) where their members are not entirely made up of corporations and therefore includes one or more individuals.

A financial transaction between one of these parties and a lender would be classed as a consumer credit agreement and would be regulated by the CCA.

There are however a number of exemptions where the agreement would not be regulated by the CCA:

- An agreement of £25k or more that is for business use.

- An agreement with a High Net Worth party (To qualify for the High Net Worth exemption the individual must have either annual income in excess of £150,000 or net assets in excess of £500,000).

- An agreement where the loan is secured on land or where not secured involves a loan in excess of £60,260.

Whilst these exemptions would render the agreement un-regulated, the party that is subject to the agreement remains regulated and is still afforded protections.