



Consumer Credit Association of the United Kingdom

THE CONSTITUTION

1 NAME

The name of the Association shall be “The Consumer Credit Association of the United Kingdom”.

2 OBJECTS

- (a) To protect, promote, advocate and assist the interests of all persons trading in any part of the United Kingdom and such like persons trading in overseas countries with a Category A licence under the Consumer Credit Act 1974 or any statutory re-enactment or modification thereof for the time being in force (hereinafter called “The Act”);
- (b) To promote and maintain Regional Divisions of the Association consisting of members in the various regions of the United Kingdom and to recommend and approve the constitution rights, privileges, obligations and duties of the Regional Divisions;
- (c) To devise plans and advise united action by members in all matters affecting the business of the provision of consumer credit;
- (d) To communicate the opinions of the Association and its members to the departments of Government and Government-supported agencies and to the Press and other information media and to promote and oppose legislation of all kinds affecting the business interests of members;
- (e) To co-operate with any association or other organisation having like objects to this Association and if thought fit to become a member of or otherwise contribute to the funds of any such association or organisation in matters of common interest;
- (f) To establish and maintain standards of business conduct and integrity and to ensure that users of consumer credit are safeguarded from unfair business practices. All members agree to:
 - i) comply with the codes of conduct and practice established under clause 18(a).
 - ii) observe legislation, in particular relating to consumer credit.
 - iii) observe the principle of not re-travelling for a minimum of 12 months.
 - iv) to advise the Director General of any exchange with the media or public body that may bring the credit industry into disrepute.
- (g) To assist any member financially or otherwise in any legal or arbitration proceedings the result of which may affect the future conduct of the trade as a whole;
- (h) To disseminate information and provide education and training in the law and practice relating to the provision of consumer credit;
- (i) To advise and assist, if called upon to do so, in arranging for arbitration on any dispute connected with the trade and involving a member;
- (j) To recommend and provide stationery, forms, agreements and systems;
- (k) Primarily to protect, promote, advocate and assist the unsecured lending business activities of the member;
- (l) To provide for the collection of removed accounts wherever possible in the United Kingdom;
- (m) To set up and maintain such machinery as is necessary for the collection of overseas accounts;
- (n) To form and establish companies for the purpose of carrying on any of the foregoing objects or for any purposes ancillary thereto;
- (o) To purchase, take on lease, hire or otherwise acquire any real or personal property and to sell or dispose of or turn to account all or any of such property;

- (p) To borrow money for the purposes of the Association on such terms and on such security as may be thought fit;
- (q) To invest the monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit;
- (r) To employ staff and to grant pensions or gratuities to any employees or ex-employees of the Association (including ex-employees of any association amalgamated with the Association) and to establish and contribute to schemes having such objects;
- (s) The income and property of the Association from whatever source shall be applied solely for the promotion of the objects of the Association;
- (t) To promote Codes of Conduct and Practice;
- (u) To maintain a register of prevailing rates for the benefit of the members, and ensure its confidentiality;
- (v) To set up and maintain a Directory of the membership for the purposes of communication.
- (w) To do all such other lawful things as are incidental or conducive to the attainment of the above objects or any of them.

3 MEMBERSHIP

- (a) (i) Any individual, firm or company engaged in the provision of consumer credit who is the holder of a class A licence under the Act shall be eligible for membership.
 - (ii) Any individual, firm or company based in the UK but providing consumer credit wholly overseas shall be eligible for membership.
- (b) Any partner, director or executive employee of a Member shall be eligible for membership as an Associate Member.
- (c) Applications for membership shall be made in writing to the Director General and must be endorsed by the Council of a Regional Division. All applications for membership shall include proof that the applicant holds a valid category A Consumer Credit Licence, unless the applicant for membership conducts their business in such areas as the Consumer Credit Act shall not apply. Successful applicants are subject to a probationary period of a minimum of one year, during which time they are termed ‘Probationary Members’ and must satisfy the following requirements (the “Full Membership Entry Criteria”):
 - (i) present themselves for approval at their local branch meeting in their Region if required to do so;
 - (ii) attend a membership seminar;
 - (iii) co-operate fully in a compliance visit which may be made by or on behalf of the Association at its sole discretion;
 - (iv) pay the initial Probationary Membership fee and
 - (v) confirm in writing that they understand and are compliant with the Association’s Code of Practice and compliance standards checklist from time to time in force. Only where a Probationary Member has fulfilled the Full Membership Entry Criteria and a minimum period of one year has elapsed since probationary membership was granted will their application for full membership be considered. The Executive Committee shall have the discretion to extend the probationary membership period up to a maximum of two years, but upon expiration of the probationary membership, where the Full Membership Entry Criteria has not been met by the Probationary Member, their probationary membership will lapse. Following a lapsed probationary membership the applicant may re-apply to the Association at the sole discretion of the Executive Committee. For the purposes of this Constitution the term

'Member' shall refer to Probationary and Full Members of the Association unless otherwise stated.

- (d) Fulfilment of the Full Membership Entry Criteria is the minimum requirement for full membership but is not a guarantee of a grant of full membership; the Executive Committee shall have absolute discretion in determining whether any person is accepted into probationary or full membership and its decision shall be final.
- (e) Any member or person employed by a member that has worthily given long service and held office or similar capacity and is no longer engaged in the consumer credit trade may be elected an Honorary Member at the Annual General Meeting. No subscription shall be payable.
- (f) The Executive Committee may suspend or expel any Member or Associate Member if he ceases to hold a Category A consumer credit license or if he is three months in arrears with his subscription and fails to pay the same within one month after demand in writing. The Disciplinary Committee may suspend, expel, fine or issue a written warning to a Member where it finds there has been a breach of the Codes or any other conduct prejudicial to the Association under the power of adjudication in the Disciplinary Rules and subject to a right of appeal to the Executive Committee (see Article 18 below).
- (g) A Member may resign his membership by 31st March in any given year by notice in writing sent by recorded delivery to the Association at the office and shall not be liable to pay the subscription for that year
- (h) If a Member is expelled or resigns, the membership of any Associate Member who is a partner, director or executive employee of the Member expelled or resigning shall ipso facto cease.
- (i) On applying for membership, the applicant shall provide the details of the names of its parent and all its subsidiaries, franchises or associate companies engaged in the provision of consumer credit whether the latter are members or not, and any further information in relation to the activities of the latter companies deemed relevant by the Executive Committee in determining the application.
- (j) A breach by the parent, subsidiary, franchisee or associate company shall be treated as a breach by the group of companies to which that parent, subsidiary or associate belongs for the purposes of Article 3(f) above or for any other disciplinary matter.
- (k) A member, on being served with a Notice of Intention to Revoke a Licence or any other intended prosecution under the Act, shall immediately inform the Executive Committee.
- (l) Members shall register their prevailing rates each year within thirty days of receipt of the Register of Prevailing Rates form.
- (m) On cessation of Membership or Probationary Membership, whether permanent or temporary and however occasioned, to avoid any breach of the Trade Descriptions Act 1968 and infringement of the Association's copyright, the Member will immediately cease to use in any way the Association's agreements, documents or logo.
- (n) Members may not divulge or pass to non members information provided by the Association where such divulging or passing on is with a view to its commercial use by those non members unless they are a registered business under Article 3(i) above and their employees are included in the total number declared by the Member or the Member has the written permission of the Director General.
- (o) Members shall endeavour to have in place their written best practice policies on the following subjects:
- (i) Brokerage; and
 - (ii) Refinancing.

- (p) Any retired partner, retired director or retired executive employee of a Member (or of a former Member so long as that former Member has not been expelled from the Association) who is no longer engaged in the provision of consumer credit, shall be eligible for membership as a Retired Member.

4 SUBSCRIPTIONS

- (a) Subscriptions shall be due on 1st January in respect of the year then commencing.
- (b) The National Council may at any time vary subscriptions but no variation shall be effective until not less than 10 weeks after notice of the proposed variation has been given to the Members and if not less than six weeks before the variation is to become effective 5% of the Members affected notify the Director General in writing at the Office that they object to the variation the same shall not take effect unless approved by the Members of the Association in general meeting.
- (c) A Member shall not be entitled to return of any part of a subscription on resignation, expulsion or otherwise ceasing to be a Member.
- (d) A Member joining during any one year will pay full subscription for that year but may receive a rebate from the subscription for the following year. This rebate will be calculated on a pro-rata monthly basis from joining date to start of year, less one quarter.
- (e) Subscriptions to Regional Divisions of the Association shall be collected by the Association and accounted for to the relevant Regional Division.
- (f) If a subscription remains unpaid by 31st March in the current year, subscriptions become immediately payable and membership will be suspended and clause 3(f) instituted.

5 OFFICE

There shall be a Head Office situated at Queens House, Queens Road, Chester CH1 3BQ, or at any other address which the National Council may decide (hereinafter called "the Office").

6 MANAGEMENT AND OFFICERS

- (a) The affairs of the Association shall be conducted by Officers, an Executive Committee and a National Council.
- (b) The Officers shall be as stated in column (1) below. They shall hold office for a period stated in column (2) below and shall retire from office at the conclusion of the Annual General Meeting in that year.
- | (1) | (2) |
|-------------------------|-----------|
| Chairman | One year |
| Vice Chairman | One year |
| Treasurer | Two years |
| Immediate Past Chairman | One year |
- (c) The Association in General Meeting may appoint a Member or an Associate Member who has given long and honourable service to the Association or to any predecessor Association to the office Honorary Life Counsellor. An Honorary Life Counsellor shall hold office for life.
- (d) Retirement and election of Officers
- i) Officers shall be elected at each Annual General Meeting in place of those retiring at that Meeting.
 - ii) Nominations must be proposed and seconded by a Member and

a written nomination signed by the proposer, the seconder and the nominee must be lodged with the Director General at the Office not less than six weeks preceding the Annual General Meeting at which the nominee is to be proposed.

iii) If, at any meeting at which an Officer retires, there is no nomination to the vacated office the retiring Officer shall if willing to be re-elected be deemed to have been re-elected.

iv) Any casual vacancy amongst the Officers shall be filled by some person selected by the National Council who shall retire from office at the Annual General Meeting at which the person whose place he fills would have retired.

v) A retiring Officer shall hold office until the conclusion of the Annual General Meeting at which he retires and shall be eligible for re-election.

7 NATIONAL COUNCIL

- (a) The National Council will manage and superintend the affairs of the Association including without limiting the generality of the foregoing power to take offices for the use of the Association, to fix the place of all meetings, to defray all necessary expenses, to appoint such persons as may be found necessary for the administration and due conduct of the business of the Association and fix the terms of engagement and remuneration of such persons, to arrange their own meetings and regulate their own proceedings subject to these Rules and act in its name and generally to execute all the objects powers and functions of the Association not hereby exclusively conferred upon General Meetings of the Association. The National Council may delegate any of their powers and functions to the Officers or the Executive Committee as they think fit.
- (b) The National Council shall consist of:
 - i) The Officers;
 - ii) One delegate appointed by the Council of a Regional Division having under 100 members; two delegates appointed by the Council of a Regional Division having between 100 and 199 members and three delegates appointed by the Council of a Regional Division having 200 members or more;
 - iii) The Chairman of any sub-committee formed under Rule 8.
 - iv) Any Honorary Life Counsellor for the time being.
- (c) The Council of a Regional Division may revoke the appointment of a delegate at any time and appoint another in his stead. Notice in writing of the appointment of delegates shall be given to the Director General of the Association.
- (d) The Director General shall send prior notice of all meetings to each member of the National Council and shall mention on each summons any important or special business to come before the meeting.
- (e) A special meeting shall be summoned by the Director General at the written request of the Chairman, or of any three members of the National Council stating the business to be transacted thereat.
- (f) Seven Council members shall constitute a quorum at meetings of the National Council. Every Council member shall have one vote. Questions shall be decided by a majority of votes. In cases of equality of votes the chairman of the meeting shall have a second or casting vote. A meeting of the Council at which a quorum is present shall be competent to exercise all powers, authorities and discretions vested in the National Council.

- (g) The Chairman, whom failing the Vice Chairman shall act as chairman of meetings of the Council and in the absence of both of them the members of the National Council shall choose one of the other Officers to act as chairman.
- (h) The members of the National Council may act notwithstanding any vacancy in their body provided that their number shall be not less than the minimum herein prescribed for a quorum. If at any time the number of members shall fall below the minimum prescribed for a quorum they may act for the purpose of filling vacancies in their body or summoning a General Meeting of members for that purpose.

8 THE EXECUTIVE COMMITTEE

- (a) The Executive Committee shall consist of:
 - i) The Officers;
 - ii) The Chairman of any sub-committee for the time being established under (b) below, and
 - iii) Any Honorary Life Counsellor for the time being;
 - iv) A Liaison Officer.
- (b) The Executive Committee may establish sub-committees and appoint the Chairman thereof. Sub-committees may be appointed in the fields of taxation, legislation, membership and services, public relations or such other matters as the Executive Committee determine. The Executive Committee may co-opt any member of the Association to any sub-committee.
- (c) Four members shall constitute a quorum at meetings of the Executive Committee. Every member shall have one vote. Questions shall be decided at a majority of votes. In the case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
- (d) The Chairman, whom failing the Vice Chairman, shall act as chairman of meetings of the Executive Committee and in the absence of both of them the members of the Committee present shall choose one of their number to act as chairman.

9 THE DIRECTOR GENERAL

- (a) The Director General shall be appointed by the National Executive Committee to oversee the day to day running of the Association and to promote the interests of the Association for the benefit and support of the membership.
- (b) He shall be retained in accordance with the terms of his contract of employment until that contract is validly terminated by the Association or by the Director General.
- (c) He shall directly report to the National Executive Committee and inform and liaise as appropriate for the discharge of his functions with the Association's National Chairman and National Council.
- (d) The Director General's responsibilities shall include:
 - i) Managing the affairs of the Association in accordance with the policies laid down by the National Executive Committee and National Council.
 - ii) Overseeing the operation of the Association's headquarters.
 - iii) Organising the annual convention, AGM and meetings of the National Council, Executive, Sub-Committees and Regions.
 - iv) Preparing the annual budget in liaison with the Treasurer.

v) Ensuring that proper and prudent financial and legal compliance controls are exercised.

vi) Delivering the highest quality membership services including training, education, advice and assistance.

vii) Enhancing the reputation and promoting the image and influence of the Association universally and particularly with regulators, parliamentarians, industry bodies and media.

viii) Preserving the highest standards of integrity throughout the Association.

ix) Providing informal mediation services to members and consumers in response to complaints.

x) Conducting visits to members' premises during business hours, upon the giving of reasonable notice, to undertake routine compliance checks or investigate any compliance issue brought to the Association's attention regarding the member.

10 GENERAL MEETINGS

- (a) The Association shall hold an Annual General Meeting in each year not later than 31st October in each year. The business of the Annual General Meeting shall be the consideration of the accounts, the auditors' report, the election of officers in place of those retiring, the receipt of nominations to the National Council and such other business of which notice has been given in the notice convening the meeting.
- (b) Not less than 28 days notice of the Annual General Meeting shall be given to each member and to the Secretary of each Regional Division accompanied by a copy of the Agenda, the Chairman's Report, Balance Sheet and Accounts and the Auditors' Report thereon.
- (c) Extraordinary General Meetings of the Association may be convened by the National Council or by the Chairman and Extraordinary General Meetings shall be convened on the request in writing of two Regional Divisions addressed to the Director General. Not less than 28 days notice thereof shall be given and no other business shall be transacted at these Meetings other than that stated in the notice.
- (d) All members may attend General Meetings. In the event of a Regional Division having less than its full representation present those attending may use proxy votes on behalf of their absent members. A corporation may also vote by proxy. All proxies shall be in writing in any usual form and shall be lodged with the Director General at the Office not less than 48 hours before the time fixed for the holding of the meeting.
- (e) Thirty members present in person shall form a quorum.
- (f) The Chairman, or in his absence, the Vice Chairman shall act as chairman of every General Meeting and in the absence of both some other Officer shall be appointed to act as chairman by the Executive Committee.

11 VOTING AT GENERAL MEETINGS

- (a) All decisions shall be taken by show of hands save that the election of Officers (if an election is necessary) shall be by ballot. A proxy may vote on a show of hands. A member voting proxies for other members may only hold and vote with a maximum of ten proxies. The use of proxies is restricted to those proxies which have been individually signed and witnessed, and attributed to an individual either to vote specifically or at the individual's discretion.
- (b) Every member, except a retired member, shall have one vote save that

Associate, and Honorary Members shall not be entitled to vote on a Special Resolution.

- (c) On ordinary resolutions a simple majority shall prevail and in the case of an equality of the votes the Chairman of the Meeting shall be entitled to a further or casting vote.
- (d) A special resolution shall be approved if not less than two thirds of the votes cast are in favour.
- (e) No member may vote if his current subscription is unpaid.
- (f) The National Council may establish bye laws as to the conduct of proceedings at General Meetings and as to the manner in which a ballot shall be taken.

12 ANNUAL CONVENTION

The Executive Committee may hold an annual event styled as a Convention or similar at the same time as the Annual General Meeting for such business and social purposes as they think fit.

13 REGIONAL DIVISIONS

- (a) The National Council shall establish Regional Divisions of the Association with such areas and boundaries as they determine initially in consultation with regional organisations of the constituent associations
- (b) Each Regional Division shall have a regional council which shall have power to formulate its rules and procedures and to levy subscriptions.
- (c) The function of a Regional Division shall be to promote the interest of the Association in their divisions and the exchange of information and views and local and benevolent activities amongst the members of the division and to endorse applications for membership.
- (d) All subscriptions shall be collected in accordance with Article 4.

14 ACCOUNTS AND AUDIT

- (a) The Financial Year shall terminate at the 31st December.
- (b) The Treasurer shall be charged with the security of all monies paid into his hands to the credit of the Association. He shall keep a correct account of the finances of the Association and shall make a report of the same to the Executive Committee upon request. Cheques shall be signed by any two of the following persons: the Treasurer, Director General, Chairman, Vice-Chairman, and any employee authorised by the Executive Committee for that purpose.
- (c)
 - (i) The members shall, at each Annual General Meeting, appoint independent auditors who shall be a firm of chartered Accountants and shall serve from the conclusion of that meeting until the conclusion of the next Annual General Meeting.
 - (ii) The Executive Committee shall be empowered to fill any casual vacancy arising in the office of auditor, any such appointment to last until the conclusion of the next Annual General Meeting.
 - (iii) The auditors' duties shall be to examine the Annual Statement of Accounts of the Association prepared by the Treasurer, and report thereon to the Executive and Members
 - (iv) The auditors shall be empowered to call for and inspect the books, records and vouchers maintained by the Treasurer, Secretary

and Director General and receive from all members of the Executive Committee such information and explanations as they deem necessary for the purpose of their audit.

(v) The auditors shall be invited to attend the Annual General Meeting and may, if they so wish, attend any or all other General Meetings of the Association of which they shall be given not less than seven days notice in writing by the Director General.

(vi) The auditors shall be empowered to speak at General Meetings of the Association but may not vote thereat.

(vii) The remuneration of the auditors shall be fixed by the Executive Committee from time to time.

15 REFERENDUM

The National Council is empowered to take a referendum of members on any subject of importance and urgency by submitting a resolution by post to all members. The resolution shall be deemed to be passed if approved by at least two thirds of the votes cast. The result of such a referendum has the same binding authority as a special resolution passed at a General Meeting. An Associate Member or an Honorary Member may not vote in a referendum.

16 ALTERATION OF RULES

- (a) These Rules may be altered in such a manner as the Association may from time to time determine either by Special Resolution at a General Meeting or by referendum upon the recommendation of the National Council.
- (b) The interpretation of these Rules shall rest with the National Council who shall have power to make bye laws for the conduct of the affairs of the Association (not inconsistent with these Rules) and generally to settle and determine all matters that may arise not provided for in these Rules.

17 AGREEMENTS REGULATED BY THE ACT

- (a) Only those agreements submitted to and approved by the Executive Committee may be imprinted with the Association logo.
- (b) Those agreements and certain other agreements exempted by the Executive Committee may have the benefit of legal cover which may be in force from time to time.

18 CODES OF CONDUCT AND PRACTICE

- (a) The Codes established by the Association shall be adopted at an Annual General Meeting.
- (b) There shall be a Disciplinary Chairman appointed by the National Council who will be responsible for appointing the 4 members of the Disciplinary Committee.
- (c) The Disciplinary Committee shall be empowered to adjudicate on any breach of the Codes or any conduct prejudicial to the interests of the Association as described in the Objects.
- (d) The Disciplinary Committee's Constitution and Rules shall be approved by the Executive Committee.
- (e) Disciplinary Procedure:
In conjunction with Article 3(f) of the Constitution and the Disciplinary

Rules an alleged breach shall lead to the following procedure:

i) On receipt of a complaint the Director General shall notify the member in writing by a letter sent of the details of the conduct complained of, together with the opportunity to make written representations in response within a period of four weeks. The Executive Committee may suspend any member prior to a determination of a complaint which is of such severity that for the Respondent to continue as a full member of the Association in the interim could risk harm to consumers, or risk bringing the Association into disrepute.

ii) The Disciplinary Committee shall make an adjudication based on the written evidence presented. In the event of a complaint being upheld at a Disciplinary Committee hearing a warning may be issued, the member may be suspended, or if the complaint involves a serious breach the Disciplinary Committee may expel the member. A fine may be imposed in addition to each of the above sanctions. In each case the member will be notified of the decision and of his right of appeal.

iii) There is a right of appeal against any decision. The appeal must be in writing and lodged with the Executive Committee within 28 days of notification of the decision. If no appeal is lodged within 28 days of notification of the decision or on expulsion such decision or expulsion will immediately become effective. If a decision is appealed, the appellant may opt for a written appeal or an oral hearing which, in either case, must take place within 28 days of the receipt of the appeal. If the appeal is unsuccessful the decision will be effective immediately. The costs of the appeal will be borne by the appellant and must be deposited with the Association in advance of the appeal process commencing. The costs so deposited will be placed in a separate interest bearing account and will be refunded to the appellant if the appeal is successful.

19 GENERAL AND INDEMNITY

- (a) All acts bona fide done by any meeting of the National Council or of the Executive Committee or any other committee or by any person acting as an Officer or member of the National Council, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of continuance in office of any such officer or member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the National Council or such committee.
- (b) No Officer of the Association or Member of the Executive Committee shall be personally responsible for any debt or for any loss or charge which they or he may incur on behalf of or in or about the affairs of business of, the duties of their or his office, nor shall he or they be answerable for any loss or damage unless the same shall be sustained through his or their own wilful act, neglect or default.

20 DISSOLUTION

Upon dissolution of the Association any surplus assets shall be transferred to any association or body having like objects in whole or in part to those of the Association or to some charitable purpose determined by the National Council.

The expression "these Rules" shall mean the foregoing Constitution, Objects and Rules amended from time to time.

Revised April 2013





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of the United Kingdom

THE CONSTITUTION

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