

Supplement to Official Gazette No. 38, Vol. 52, 29th April, 1965—Part C

The following Bill, which will in due course be presented to Parliament for enactment, is published for general information.

THE HIRE-PURCHASE BILL 1965

EXPLANATORY MEMORANDUM

The object of this Bill is to make provision for the regulation of hire-purchase and credit-sale transactions. It is based primarily on the U.K. Hire Purchase Acts of 1938 and 1954 with modifications to suit conditions prevailing in Nigeria.

The main purpose of the Bill is to afford protection to the buyer of goods on hire-purchase or similar terms against certain abuses which have become apparent in the practice of hire-purchase trading. However the Bill is also designed to secure that the owner is not put at an undue disadvantage, and thus to maintain a reasonable balance between the owner and the hirer or buyer. Thus, for example, Clause 9 restricts the right of the owner to recover the goods otherwise than by action where the "relevant proportion" of the hire-purchase price has been paid; but Clause 10 enables the court to order specific delivery of all or part of the goods to the owner or to postpone the operation of such an order subject to that fulfilment of such conditions by the hirer as the court thinks just.

Clause 5 of the Bill enables the Minister of Trade to regulate the terms of hire-purchase and credit-sale transactions by restricting the rates of interest and other sums which may be charged and providing penalties for breaches of the regulations. Clauses 18 and 19 enable the Minister to obtain information from hire-purchase and credit-sale traders and finance-houses and to exempt any class or description of goods and any statutory corporation from the operation of the Bill.

The Bill applies to Lagos only, but it is envisaged that legislation in similar terms will be enacted by the legislature of each Region.

K. O. MBADIWE,  
*Minister of Trade*

## ARRANGEMENT OF CLAUSES

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<i>Operation and termination of agreements, etc.</i>	12. Effect of suspension of order for delivery up of goods.
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6. Duty of parties to furnish information.	16. Information to be included in advertisements.
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8. Right of hirer to determine hire-purchase agreement.	<i>Miscellaneous and general</i>
<i>Recovery of goods, etc.</i>	18. Power of Minister to require information about hire-purchase business, etc.
9. Restriction on recovery of goods otherwise than by action.	19. Power of Minister to exclude goods, etc., from operation of Act.
10. Powers of court in actions to recover goods.	20. Interpretation, etc.
	21. Short title, extent and commencement.
	SCHEDULE—Notice for inclusion in hire-purchase agreements.

## A BILL

FOR

AN ACT TO MAKE PROVISION WITH RESPECT TO HIRE-PURCHASE AND CREDIT-SALE TRANSACTIONS AND ADVERTISEMENTS RELATING THERETO ; AND FOR PURPOSES CONNECTED WITH THE MATTERS AFORESAID.

[See section 21(2)]

BE IT ENACTED by the Legislature of the Federation of Nigeria in this present Parliament assembled and by the authority of the same as follows :

Commence-  
ment.

### *Preliminary*

Transactions  
regulated by  
the Act.

1. Subject to the provisions of section 19 of this Act, the provisions of this Act (other than the provisions relating to the control of advertisements) shall apply in relation to—

(a) all hire-purchase agreements and credit-sale agreements (other than agreements in respect of motor vehicles) under which the hire-purchase price or total purchase price, as the case may be, does not exceed one thousand pounds ; and

(b) all such agreements in respect of motor vehicles, irrespective of the hire-purchase price or the total purchase price, being agreements made after the commencement of this Act ; and the expressions "hire-purchase agreement" and "credit-sale agreement" in the following provisions of this Act shall be construed accordingly.

### *Operation and termination of agreements, etc.*

2.—(1) Before any hire-purchase agreement is entered into in respect of any goods, the owner shall state in writing to the prospective hirer, otherwise than in the note or memorandum of the agreement, a price at which the goods may be purchased by him for cash (in this section referred to as the "cash price") :

Require-  
ments relat-  
ing to hire-  
purchase and  
credit-sale  
agreements.

Provided that this subsection shall be deemed to have been sufficiently complied with—

(a) if the hirer has inspected the goods or like goods and at the time of his inspection tickets or labels were attached to or displayed with the goods clearly stating the cash price either of the goods as a whole or of all the different articles or sets of articles comprised in the goods ; or

(b) if the hirer has selected the goods by reference to a catalogue, price list or advertisement which clearly stated the cash price either of the goods as a whole or of all the different articles or sets of articles comprised in the goods.

(2) An owner shall not be entitled to enforce a hire-purchase agreement or any contract of guarantee relating to the agreement or any right to recover the goods from the hirer, and no security given by the hirer in respect of money payable under the hire-purchase agreement or given by a guarantor in respect of money payable under a contract of guarantee relating to the agreement shall be enforceable against the hirer or guarantor, unless the requirement specified in subsection (1) above has been complied with and—

(a) a note or memorandum of the agreement is made and signed by the hirer and by or on behalf of all other parties to the agreement ; and

(b) the note or memorandum contains—

(i) a statement of the hire-purchase price and of the cash price of the goods to which the agreement relates and of the amount of each of the instalments by which the hire-purchase price is to be paid and of the date, or the mode of determining the date, upon which each instalment is payable ; and

(ii) a statement of the deposit paid ; and

(iii) a statement of the true rate of interest calculated in such manner as the Minister may by regulations published in the Federal Gazette prescribe ; and

(iv) a list of the goods to which the agreement relates sufficient to identify them ; and

(c) the note or memorandum contains a notice, which is at least as prominent as the rest of the contents of the note or memorandum, in the terms provided by the Schedule to this Act ; and

(d) a copy of the note or memorandum is delivered or sent to the hirer within fourteen days of the making of the agreement :

Provided that, if the court is satisfied in any action that a failure to comply with the requirement specified in subsection (1) above or any requirement specified in paragraph (b), (c) or (d) of this subsection has not prejudiced the hirer, and that it would be just and equitable to dispense with the requirement, the court may, subject to any conditions that it thinks fit to impose, dispense with that requirement for the purposes of the action.

(3) The foregoing provisions of this section shall apply to credit-sale agreements as they apply to hire-purchase agreements, but as if—

(a) for any reference to the owner, hirer or hire-purchase price there were substituted respectively a reference to the seller, buyer and total purchase price ; and

(b) paragraph (c) of subsection (2), and the reference to that paragraph in the proviso to that subsection, were omitted.

3. The following provisions in an agreement shall be void, that is to say, any provision—

(a) whereby an owner or a person acting on his behalf is authorised to enter upon any premises for the purpose of taking possession of goods which have been let under a hire-purchase agreement or is relieved from liability for any such entry ; or

(b) whereby the right conferred on a hirer by this Act to determine the hire-purchase agreement is excluded or restricted, or any liability in addition to the liability imposed by this Act is imposed on a hirer by reason of the termination of the hire-purchase agreement by him under this Act ; or

Avoidance of certain provisions in agreements.

(c) whereby a hirer, after the determination of the hire-purchase agreement or the bailment in any manner whatsoever, is subject to a liability which exceeds the liability to which he would have been subject if the agreement had been determined by him under this Act; or

(d) whereby any person acting on behalf of an owner or seller in connection with the formation or conclusion of a hire-purchase or credit-sale agreement is treated as or deemed to be the agent of the hirer or buyer; or

(e) whereby an owner or seller is relieved from liability for the acts or defaults of any person acting on his behalf in connection with the formation or conclusion of a hire-purchase or credit-sale agreement; or

(f) whereby a hirer or buyer is required to avail himself of the services, as insurer or repairer or in other capacity whatsoever, of a person other than a person selected by the hirer or buyer in the exercise of his unfettered discretion.

4.—(1) In every hire-purchase agreement there shall be—

(a) an implied warranty that the hirer shall have and enjoy quiet possession of the goods;

(b) an implied condition on the part of the owner that he shall have a right to sell the goods at the time when the property is to pass;

(c) an implied warranty that the goods shall be free from any charge or encumbrance in favour of any third party at the time when the property is to pass;

(d) except where the goods are let as second-hand goods and the note or memorandum of the agreement made in pursuance of section 2 of this Act contains a statement to that effect, an implied condition that the goods shall be of merchantable quality, so however that no such condition shall be implied by virtue of this paragraph as regards defects of which the owner could not reasonably have been aware at the time when the agreement was made or, if the hirer has examined the goods or a sample of them, as regards defects which the examination ought to have revealed.

(2) Where the hirer expressly or by implication makes known the particular purpose for which the goods are required there shall be an implied condition that the goods shall be reasonably fit for that purpose.

(3) The warranties and conditions set out in subsection (1) above shall be implied notwithstanding any agreement to the contrary, and the owner shall not be entitled to rely on any provision in the agreement excluding or modifying the condition set out in subsection (2) above unless he proves that before the agreement was made the provision was brought to the notice of the hirer and its effect made clear to him.

(4) Nothing in this section shall prejudice the operation of any other enactment or rule of law whereby any condition or warranty is to be implied in a hire-purchase agreement.

5. The Minister may by regulations published in the Federal Gazette make such provision as he considers expedient—

(a) for restricting the sums (including in particular rates of interest) which may be charged in connection with hire-purchase and credit-sale transactions in addition to the purchase price and prescribing the methods by which those sums and purchase prices are to be determined for the purposes of the regulations;

Conditions and warranties implied in hire-purchase agreements.

Power of Minister to regulate terms of hire-purchase and credit-sale transactions.

(b) for prohibiting hire-purchase and credit-sale transactions unless initial cash payments are made for the purposes of the transactions of such amounts and at such times as may be prescribed by the regulations ;

(c) for securing that the periods during which payments fall to be made in pursuance of hire-purchase or credit-sale agreements shall not exceed the periods prescribed by the regulations ; and

(d) for prescribing penalties for offences against the regulations, not exceeding a fine of five hundred pounds in respect of any particular offence.

Duty of parties to furnish information.

6.—(1) At any time before the final payment has been made under a hire-purchase agreement or credit-sale agreement, any person entitled to enforce the agreement against the hirer or buyer shall, within fourteen days from the date on which he receives a request in writing from the hirer or buyer and the hirer or buyer has tendered to him the sum of two shillings for expenses, supply to the hirer or buyer a copy of any memorandum or note of the agreement, together with a statement signed by the said person or his agent showing—

(a) the amount paid by or on behalf of the hirer or buyer ;

(b) the amount due but unpaid under the agreement, and the date on which each unpaid instalment became due, and the amount of each such instalment ; and

(c) the amount which is to become payable under the agreement, and the date or the mode of determining the date upon which each future instalment is to become payable, and the amount of each such instalment.

(2) In the event of a failure without reasonable cause to comply with subsection (1) above, then, while the default continues—

(a) no person shall be entitled to enforce the agreement against the hirer or buyer or to enforce any contract of guarantee relating to the agreement and, in the case of a hire-purchase agreement, the owner shall not be entitled to enforce any right to recover the goods from the hirer ; and

(b) no security given by the hirer or buyer in respect of money payable under the agreement or given by a guarantor in respect of money payable under a contract of guarantee relating to the agreement shall be enforceable against the hirer or buyer or the guarantor,

and, if the default continues for a period of one month, the defaulter shall be guilty of an offence and liable on summary conviction to a fine of an amount not exceeding ten pounds.

(3) Where by virtue of a hire-purchase agreement a hirer is under a duty to keep the goods comprised in the agreement in his possession or control, the hirer shall, on receipt of a request in writing from the owner, inform the owner where the goods are at the time when the information is given or, if it is sent by post, at the time of posting.

(4) If a hirer fails without reasonable cause to give the said information within fourteen days from the date of the receipt of a request under subsection (3) above, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding ten pounds ; and if any information given by or on behalf of a hirer in pursuance of a request under that subsection is to his knowledge false in a material particular, the hirer shall be guilty of an offence and liable on summary conviction to a fine not exceeding fifty pounds.

7. A hirer who is liable to make payments in respect of two or more hire-purchase agreements to the same owner shall, notwithstanding any agreement to the contrary, be entitled, on making any payment in respect of the agreements which is not sufficient to discharge the total amount then due under all the agreements, to appropriate the sum so paid by him in or towards the satisfaction of the sum due under any one of the agreements, or in or towards the satisfaction of the sums due under any two or more of the agreements in such proportions as he thinks fit ; and if he fails to make any such appropriation as aforesaid the payment shall by virtue of this section be appropriated towards the satisfaction of the sums due under the respective hire-purchase agreements in the proportions which those sums bear to one another.

Appropriation of payments under hire-purchase agreements.

8.—(1) A hirer shall, at any time before the final payment under a hire-purchase agreement falls due, be entitled to determine the agreement by giving notice of termination in writing to any person entitled or authorised to receive any sums payable under the agreement and shall, on determining the agreement under this section, be liable, without prejudice to any liability which has accrued before the termination, to pay the amount, if any, by which one-half of the hire-purchase price exceeds the total of the sums paid and the sums due in respect of the hire-purchase price immediately before the termination, or such less amount as may be specified in the agreement.

Right of hirer to determine hire-purchase agreement.

(2) Where a hire-purchase agreement has been determined under this section, the hirer shall, if he has failed to take reasonable care of the goods, be liable to pay damages for the failure.

(3) Where a hirer, having determined a hire-purchase agreement under this section, wrongfully retains possession of the goods, then, in any action brought by the owner to recover possession of the goods from the hirer, the court shall, unless it is satisfied that having regard to the circumstances it would not be just and equitable so to do, order the goods to be delivered to the owner without giving the hirer an option to pay the value of the goods.

(4) Nothing in this section shall prejudice any right of a hirer to determine a hire-purchase agreement otherwise than by virtue of this section.

#### *Recovery of goods, etc.*

9.—(1) Where goods have been let under a hire-purchase agreement and the relevant proportion of the hire-purchase price has been paid (whether in pursuance of a judgment or otherwise) or tendered by or on behalf of the hirer or any guarantor, the owner shall not enforce any right to recover possession of the goods from the hirer otherwise than by action.

Restriction on recovery of goods otherwise than by action.

(2) If an owner recovers possession of goods in contravention of the foregoing subsection, the hire-purchase agreement, if not previously determined, shall determine and—

(a) the hirer shall be released from all liability under the agreement and shall be entitled to recover from the owner in an action for money had and received all sums paid by the hirer under the agreement or under any security given by him in respect of the agreement ; and

(b) any guarantor shall be entitled to recover from the owner in an action for money had and received all sums paid by him under the contract of guarantee or under any security given by him in respect of that contract.

(3) The foregoing provisions of this section shall not apply in any case in which the hirer has determined the agreement or the bailment by virtue of any right vested in him.

(4) In this section and elsewhere in this Act "the relevant proportion", where the reference is to the relevant proportion of the hire-purchase price of any goods or to the relevant proportion of a part (however described) of that price, means—

- (a) in the case of goods other than motor-vehicles, one-half; and
- (b) in the case of motor-vehicles, three-fifths.

Powers of court in actions to recover goods.

10.—(1) Where, in any case to which section 9 of this Act applies, an owner commences an action to enforce a right to recover possession of goods from a hirer after the relevant proportion of the hire-purchase price has been paid or tendered as aforesaid, the owner shall not take any step to enforce payment of any sum due under the hire-purchase agreement or under any contract of guarantee relating to the agreement, except by claiming the sum in the action.

(2) Subject to such exceptions as may be provided for by rules of court, all the parties to the agreement and any guarantor shall be made parties to the action.

(3) Pending the hearing of the action the court shall, in addition to any other powers, have power, upon the application of the owner, to make such orders as the court thinks just for the purpose of protecting the goods from damage or depreciation, including orders restricting or prohibiting the use of the goods or giving directions as to their custody.

(4) On the hearing of the action the court may, without prejudice to any other power—

(a) make an order for the specific delivery of all the goods to the owner; or

(b) make an order for the specific delivery of all the goods to the owner and postpone the operation of the order—

(i) on condition that the hirer or a guarantor pays the unpaid balance of the hire-purchase price at such times and in such amounts as the court thinks just having regard to the means of the hirer or guarantor, and

(ii) subject to the fulfilment of such other conditions by the hirer or a guarantor as the court thinks just; or

(c) make an order for the specific delivery of a part of the goods to the owner and for the transfer to the hirer of the owner's title to the remainder of the goods.

(5) No order shall be made under subsection (4) (b) above unless the court is satisfied that the goods are in the hirer's possession or control at the time when the order is made.

(6) The court shall not make an order transferring to the hirer the owner's title to a part of the goods unless it is satisfied that the amount which the hirer has paid in respect of the hire-purchase price exceeds the price of that part of the goods (determined in accordance with subsection (9) below) by at least the relevant proportion of the unpaid balance of the hire-purchase price.

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(7) Where damages have been awarded against the owner in the proceedings, the court may treat the hirer as having paid in respect of the hire-purchase price, in addition to the actual amount paid, the amount of the damages, or such part thereof as the court thinks fit, and thereupon the damages shall accordingly be remitted either in whole or in part.

(8) In this section and elsewhere in this Act "order for the specific delivery of" any goods means an order for the delivery of the goods to the owner without giving the hirer an option to pay their value.

(9) In this section "price", in relation to any goods, means such part of the hire-purchase price as is assigned to those goods by the note or memorandum of the hire-purchase agreement or, if no such assignment is made, such part of the hire-purchase price as the court may determine.

(10) If at any time before the hearing of an action to which this section applies the owner has recovered possession of a part of the goods, the references in subsection (4) above to all the goods shall be construed as references to all the goods which the owner has not recovered; and if the parties have not agreed upon an adjustment of the hire-purchase price in respect of the goods so recovered, the court may, for the purposes of paragraphs (b) and (c) of that subsection, make such reduction of the hire-purchase price and of the unpaid balance of it as the court thinks just.

(11) When an owner has recovered a part of the goods let under a hire-purchase agreement and the recovery was effected in contravention of section 10 of this Act, the provisions of this section shall not apply in relation to any action by the owner to recover the remainder of the goods.

11. Where goods have been let under a hire-purchase agreement and, at any time after the relevant proportion of the hire-purchase price has been paid or tendered, the owner makes a further hire-purchase agreement with the hirer comprising those goods, the provisions of sections 9 and 10 of this Act shall have effect as respects that further agreement from its commencement.

12.—(1) While the operation of an order for the specific delivery of goods to the owner is postponed under section 10 of this Act, the hirer shall be deemed to be a bailee of the goods under and on the terms of the hire-purchase agreement:

Provided that—

(a) no further sum shall be or become payable by the hirer or a guarantor on account of the unpaid balance of the hire-purchase price except in accordance with the terms of the order; and

(b) the court may make such further modifications of the terms of the hire-purchase agreement, and of any contract of guarantee relating to it, as the court considers necessary having regard to the variation of the terms of payment.

(2) If while the operation of an order for the specific delivery of goods to the owner is postponed as aforesaid the hirer or a guarantor—

(a) fails to comply with any condition of the postponement, or with any term of the agreement as varied by the court; or

(b) wrongfully disposes of the goods,  
the owner shall not take any civil proceedings in respect of the failure or disposal against the hirer or guarantor otherwise than by making an application to the court by which the order was made:

Application of ss.9 and 10 to successive hire-purchase agreements between same parties.

Effect of suspension of order for delivery up of goods.

Provided that, in the case of a breach of any condition relating to the payment of the unpaid balance of the hire-purchase price, it shall not be necessary for the owner to apply to the court for leave to execute the order unless the court has so directed.

(3) When the unpaid balance of the hire-purchase price has been paid in accordance with the terms of the order, the owner's title to the goods shall vest in the hirer. 5

(4) The court may at any time during the postponement of the operation of such an order as aforesaid—

(a) vary the conditions of the postponement and make such further modification of the hire-purchase agreement, and of any contract of guarantee relating to it, as the court considers necessary having regard to the variation of the conditions of the postponement; 10

(b) revoke the postponement;

(c) make an order, in accordance with the provisions of section 10 of this Act, for the specific delivery of a part of the goods to the owner and for the transfer to the hirer of the owner's title to the remainder of the goods. 15

(5) The powers of the court under paragraphs (a) and (c) of subsection (4) above may be exercised, notwithstanding that any condition of the postponement of the operation of the order has not been complied with, at any time before the goods are delivered to the owner in accordance with a warrant issued in pursuance of the order; and where such a warrant has been issued, the court shall— 20

(a) if the court varies the conditions of the postponement under the said paragraph (a), suspend the warrant on the like conditions; 25

(b) if the court makes an order under the said paragraph (c) for the delivery of a part of the goods to the owner and for the transfer to the hirer of the owner's title to the remaining part thereof, cancel the warrant so far as it provides for the delivery of the last-mentioned part of the goods. 30

(6) At any time before the delivery of goods to the owner in accordance with a warrant issued as aforesaid, the warrant may, so far as it provides for the delivery of goods, be discharged by the payment to the owner by the hirer or any guarantor of the whole of the unpaid balance of the hire-purchase price, and in any such case the owner's title to the goods shall vest in the hirer. 35

(7) If in any action to which section 10 of this Act applies an offer as to conditions for the postponement of the operation of an order under subsection (4) (b) of that section is made by the hirer and accepted by the owner in accordance with rules of court, an order under that paragraph may thereupon be made by the court in accordance with the said offer without hearing evidence as to matters specified in that paragraph or in subsection (5) of that section: 40

Provided that where a guarantor is a party to the action, no such order shall be made before the date fixed for the hearing of the action. 45

13.—(1) Where a hire-purchase agreement validly provides for the payment by the hirer on or after the determination of the agreement or the bailment of such sum as, when added to the sums paid and the sums due in respect of the hire-purchase price before the determination, is equal to a fixed amount, and a claim is made in respect of any such sum 50

in an action to which section 10 of this Act applies, then—

(a) if the court makes an order for the specific delivery of a part of the goods to the owner and the transfer to the hirer of the owner's title to the remainder of the goods, the claim shall be disallowed ;

5 (b) if the court postpones the operation of an order for the specific delivery of the goods to the owner, it shall not entertain the claim unless and until the postponement is revoked, and shall then deal with the claim as if the agreement had just been determined.

10 (2) Where the hirer or a guarantor has paid or has been ordered to pay any such sum as aforesaid and the owner subsequently seeks to recover the goods in an action to which section 10 of this Act applies, the court may treat that sum as paid or payable, as the case may be, in respect of the hire-purchase price.

15 14.—(1) Where, in any action by an owner of goods which have been let under a hire-purchase agreement to enforce a right to recover possession of the goods from the hirer, the owner proves that, before the commencement of the action and after the right to recover possession of the goods accrued, the owner made a request in writing to the hirer to surrender the goods, the hirer's possession of the goods shall, for  
20 the purposes of the owner's claim to recover possession of them, be deemed to be adverse to the owner.

Adverse.  
possession,  
and  
conversion.

(2) Nothing in the foregoing subsection shall affect a claim for damages for conversion.

25 (3) If, at any time while the enforcement by an owner of a right to recover possession of goods from a hirer is subject to any restriction by virtue of this Act, the hirer refuses to give up possession of the goods to the owner, the hirer shall not, by reason only of the refusal, be liable to the owner for conversion of the goods.

#### *Control of advertisements*

30 15.—(1) This section applies to any advertisement of any goods as being goods available for disposal by way of hire-purchase or credit-sale, if the advertisement includes one or more of the elements mentioned in subsection (2) below and is not an advertisement falling within subsection (3) below.

Advertise-  
ments sub-  
ject to  
control.

35 (2) The said elements are—

(a) an indication that a deposit is payable, consisting of or including either an indication of the amount of the deposit or an indication that it is a fraction specified in the advertisement, whether the amount of which it is a fraction is specified in the advertisement or not ;

40 (b) words indicating that no deposit is payable ;

(c) an indication of the amount of any one or more of the instalments payable.

45 (3) An advertisement of goods as being goods available for disposal by way of credit-sale is not an advertisement to which this section applies, notwithstanding that it includes one or more of the elements mentioned in the last foregoing subsection, if—

(a) it does not advertise any goods as being available for disposal by way of hire-purchase ; and

50 (b) the terms of credit-sale set out in the advertisement are such that no single article could be disposed of in accordance with those terms at a total price exceeding five pounds.

Information  
to be includ-  
ed in  
advertise-  
ments.

- 16.—(1) An advertisement to which section 15 of this Act applies shall not be displayed or issued by any means unless it includes all the information required by this section and each part of that information is displayed or stated clearly in the advertisement in such a way as not to give undue prominence or emphasis to any part of it in comparison with any other part. 5
- (2) Where an advertisement contains details of payments in respect of any goods, then, in so far as it relates to those goods, the information required by this section is the following, that is to say—
- (a) either— 10
- (i) the amount of the deposit directly expressed, or
- (ii) a statement that the amount of the deposit is a fraction specified in the advertisement of a sum the amount of which is directly expressed in the advertisement, or
- (iii) a statement that no deposit is payable; 15
- (b) the amount of each instalment directly expressed;
- (c) the total number of instalments payable;
- (d) the length of the period in respect of which each instalment is payable;
- (e) if any instalments are payable before delivery of the goods, the number of instalments so payable; and 20
- (f) a sum stated as the cash price of the goods.
- (3) In so far as an advertisement to which section 15 of this Act applies relates to goods in respect of which the advertisement does not contain details of payments, the information required by this section is that specified in subsection (2) above, subject to the following modifications, that is to say— 25
- (a) with regard to the deposit, the information required by this section (instead of that specified in subsection (2) (a) above) is either—
- (i) a statement that the amount of the deposit is a fraction specified in the advertisement of a price or sum the nature of which is clearly indicated in the advertisement, or 30
- (ii) a statement that no deposit is payable; and
- (b) subsection (2) (b) and (f) above shall not apply.
- (4) For the purposes of this section an advertisement shall be taken to contain details of payments in respect of any goods if it specifies the amount of the deposit payable in respect of those goods, or of any one or more of the instalments so payable, and that amount is directly expressed in the advertisement. 35
- (5) Without prejudice to the generality of subsection (1) above, in the case of an advertisement of goods— 40
- (a) as being goods available for disposal alternatively by way of hire-purchase or by way of credit-sale; or
- (b) as being goods available for disposal in accordance with two or more alternative schemes of hire-purchase, or two or more alternative schemes of credit-sale, 45

the information required by this section shall not be taken to be displayed or stated clearly in the advertisement if it is not displayed or stated so as to distinguish clearly between the information applicable to hire-purchase and the information applicable to credit-sale or, as the case may be, so as to distinguish clearly between the information applicable to each of the schemes of hire-purchase or credit-sale respectively.

(6) In the case of any advertisement contained in a sound broadcast or issued by means of a loudspeaker or other public address system—

(a) for the purposes of section 15 of this Act, and for the purpose of determining under this section whether the advertisement contains details of payments in respect of any goods, anything included in any visual display by which the advertisement is accompanied shall be taken to form part of the advertisement ;

(b) for the purposes of this section other than the purpose mentioned in the foregoing paragraph, information shall be taken not to be included in the advertisement unless it is contained in it in an audible form ;

(c) in determining for the purposes of subsection (1) above whether each part of the information required by this Act is stated clearly in the advertisement in such a way as not to give undue prominence or emphasis to any part of it in comparison with any other part, regard shall be held to the length of time taken by each successive part of the advertisement and to the aggregate length of time taken by them all, as well as to the contents of the advertisement.

(7) In the case of any advertisement contained in a cinematograph film or television broadcast—

(a) for the purposes of section 15 of this Act, and for the purpose of determining under this section whether the advertisement contains details of payments in respect of any goods, anything included in any spoken words or other sound by which the advertisement is accompanied shall be taken to form part of the advertisement ;

(b) for the purposes of this section, other than the purpose mentioned in the foregoing paragraph, information shall be taken not to be included in the advertisement unless it is contained in it in a visual form.

(c) in determining for the purposes of subsection (1) above whether each part of the information required by this Act is displayed clearly in the advertisement in such a way as not to give undue prominence or emphasis to any part of it in comparison with any other part, regard shall be had to the length of time for which the advertisement is displayed (or, if different parts of the advertisement are displayed successively, to the length of time taken by each of them and to the aggregate length of time taken by them all) as well as to the contents of the advertisement.

17.—(1) Subject to the provisions of this section, any person who displays or issues an advertisement in contravention of the provisions of section 16 of this Act, or causes an advertisement to be displayed or issued in contravention of those provisions, shall be guilty of an offence and liable on summary conviction—

(a) if it is his first conviction of an offence under this section, to a fine not exceeding fifty pounds ;

Penalties.

(b) in any other case, to a fine not exceeding two hundred pounds.

(2) Where a person is charged with an offence under this section, it shall be a defence to prove—

(a) that the matters contained in the advertisement did not relate to anything to be done in the course of a business carried on by him ; and

(b) that the matters so contained were not (wholly or in part) devised or selected by him or by any other person under his direction or control.

(3) Where an offence under this section committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly :

Provided that, for the purposes of the application of subsection (2) above to any proceedings, in so far as they are brought against a person by virtue of this subsection in respect of an offence committed by a body corporate, references in paragraphs (a) and (b) of that subsection to the person charged shall be construed as references to the body corporate.

#### *Miscellaneous and General*

18.—(1) The Minister may by regulations published in the Federal Gazette make provision—

(a) for requiring persons who carry on, or have carried on, the business of disposing of goods by means of hire-purchase or credit-sale transactions, or of making funds available for the purposes of such transactions, to furnish to the Minister, at such times and in such form as may be prescribed by the regulations, such information relating to the business as may be so prescribed ;

(b) for prescribing penalties for offences against the regulations not exceeding—

(i) in the case of an offence involving the furnishing of false information, imprisonment for a term of two years or a fine of five hundred pounds or both ;

(ii) in any other case, a fine of one hundred pounds.

(2) The Minister, or the permanent secretary of the Ministry on his behalf, may authorise in writing any officer of the Ministry to act as an inspector under this section ; and any person so authorised may, for the purpose of enforcing any regulations made under this section, and on producing his authorisation if so required, enter at all reasonable times any premises used for the purposes of any such business as is mentioned in the foregoing subsection and—

(a) inspect any books or documents on those premises which appear to him to relate to any such business, and

(b) take copies of, or of anything contained in, any such book or document.

(3) A document which purports—

(a) to authorise a person whose full names are set out therein to act as an inspector under this section ; and

Power of  
Minister to  
require  
information  
about hire-  
purchase  
business, etc.

(b) to be signed by the Minister or the permanent secretary of the Ministry,

shall, except in so far as the contrary is proved, be deemed to be a valid authorisation under this section of the person named therein.

5 (4) Any person who wilfully obstructs or delays any person in the exercise of his powers of entry, inspection or taking copies under subsection (2) above shall be guilty of an offence and liable on summary conviction to a fine not exceeding fifty pounds.

10 (5) If any person discloses, otherwise than on the directions of the Minister or for the purposes of legal proceedings taken in pursuance of regulations made under this section, any information obtained by him—

(a) by virtue of any such regulations ; or

(b) in the exercise of any power conferred by subsection (2) above, he shall be guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding two years.

15 19.—(1) The Minister may by order published in the Federal Gazette—

(a) exclude from the operation of this Act goods of any description or class specified in the order ;

20 (b) exclude from the operation of this Act any statutory corporation so specified.

(2) In this section “statutory corporation” means a body corporate established directly by a law in force in Nigeria.

Power of Minister to exclude goods, etc., from operation of the Act.

25 20.—(1) In this Act, unless the context otherwise requires, the following expressions have the meanings hereby assigned to them respectively, that is to say—

“action” includes counterclaim and set off ;

“advertisement” means—

30 (a) any form of advertising by way of sound broadcasting or by means of a loudspeaker or any other public address system, and

(b) any visual form of advertising (whether or not accompanied by spoken words or other sounds), whether in a publication, or by the display of notices, or by means of catalogues, price lists, labels or other documents, or by the exhibition of cinematograph films or photographs, or by way of television, or in any other way ;

35 “buyer” means a person who buys or agrees to buy goods ;

40 “contract of guarantee” means, in relation to any hire-purchase agreement or credit-sale agreement, a contract, made at the request express or implied of the hirer or buyer, to guarantee the performance of the hirer’s or buyer’s obligations under the hire-purchase agreement or credit-sale agreement, and the expression “guarantor” shall be construed accordingly ;

45 “credit-sale” means the sale of goods in pursuance of an agreement under which the whole or part of the purchase price is payable by five or more instalments, and “credit-sale agreement” shall be construed accordingly ;

“delivery” means voluntary transfer of possession from one person to another ;

Interpretation, etc.

“deposit” includes any initial payment to be made before or at the time of entering into an agreement ;

“directly expressed” means expressed (whether in words or figures or both) otherwise than as a fraction of, or by reference to, some other amount ;

5

“disposal”, in relation to goods, includes—

(a) the disposal of the ownership of the goods, or of any proprietary interest in them, or of the right to possession of the goods, and

(b) the disposal of the possession of the goods, whether or not accompanied by any disposal of the ownership of the goods, or of any proprietary interest in them, or of the right to possession of them ;

10

“fraction” includes a proportion expressed as a percentage or in any other way ;

15

“goods” means any chattels personal, other than things in action and money ;

“hirer” means the person who takes or has taken goods from an owner under a hire-purchase agreement and includes a person to whom the hirer’s rights or liabilities under the agreement have passed by assignment or by operation of law ;

20

“hire-purchase” means the bailment of goods in pursuance of an agreement under which the bailee may buy the goods or under which the property in the goods will or may pass to the bailee, and “hire-purchase agreement” shall be construed accordingly ; and where by virtue of two or more agreements, none of which by itself constitutes a hire-purchase agreement, there is a bailment of goods and either the bailee may buy the goods, or the property therein will or may pass to the bailee, the agreements shall be treated for the purposes of this Act as a single agreement made at the time when the last of the agreements was made ;

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30

“hire-purchase price” means the total sum payable by the hirer under a hire-purchase agreement in order to complete the purchase of goods to which the agreement relates, exclusive of any sum payable as a penalty or as compensation or damages for breach of the agreement but including any sum payable by the hirer under the agreement by way of deposit or other initial payment, or credited or to be credited to him under the agreement on account of any such deposit or payment, whether that sum is to be or has been paid to the owner or to any other person or is to be or has been discharged by a payment of money or by the transfer or delivery of goods or by any other means ;

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“the Minister” means the Minister of the Government of the Federation responsible for trade, and “the Ministry” shall be construed accordingly ;

“motor vehicle” means a mechanically propelled vehicle intended or adapted for use on roads or for use for agricultural purposes ;

45

“owner” means the person who lets or has let goods to a hirer under a hire-purchase agreement and includes a person to whom the owner’s property in the goods or any of the owner’s rights or liabilities under the agreement has passed by assignment or by operation of law ;

50



"property" means the general property in goods and not merely a special property ;

5 "the relevant proportion", where the reference is to the relevant proportion of the hire-purchase price of any goods or to the relevant proportion of a part (however described) of that price, has the meaning assigned by section 9 (4) of this Act ;

"sale" includes a bargain and sale as well as sale and delivery ;

"seller" means a person who sells or agrees to sell goods ;

10 "total purchase price" means the total sum payable by the buyer under a credit-sale agreement, exclusive of any sum payable as a penalty or as compensation or damages for breach of the agreement but including any sum payable by the buyer under the agreement by way of deposit or other initial payment, or credited or to be credited to him under the agreement on account of any such deposit or payment,  
15 whether that sum is to be or has been paid to the seller or to any other person or is to be or has been discharged by a payment of money or by the transfer or delivery of goods or by any other means ;

"warranty" means an agreement with reference to goods which are the subject of a contract but collateral to the main purpose of the contract, the breach of which gives rise to a claim for damages but not to a right to reject the goods and treat the contract as repudiated.

20 (2) Where an owner has agreed that any part of the hire-purchase price may be discharged otherwise than by the payment of money, any such discharge shall, for the purposes of sections 6 to 13 of this Act, be deemed to be a payment of that part of the hire-purchase price.

25 (3) Where, under any hire-purchase agreement made after the commencement of this Act, the owner is required to carry out any installation, and the note or memorandum of the agreement specifies as part of the hire-purchase price the amount to be paid in respect of the installation—

30 (a) the reference in section 8 of this Act to one-half of the hire-purchase price shall be construed as a reference to the aggregate of the said amount and one-half of the remainder of the hire-purchase price ; and

35 (b) references in sections 9 to 11 of this Act to the relevant proportion of the hire-purchase price shall be construed as references to the aggregate of the said amount and the relevant proportion of the remainder of the hire-purchase price.

For the purposes of this subsection the expression "installation" means—

40 (i) the installing of any apparatus motivated by or conducting electricity or of any gas or water pipe ;

(ii) the fixing of goods to which the agreement relates to the premises where they are to be used and the alteration of premises to enable any of the goods to be used there ; and

45 (iii) where it is reasonably necessary that any such goods should be constructed or erected on the premises where they are to be used, any work carried out for the purpose of the construction or erection.

21.—(1) This Act may be cited as the Hire-Purchase Act 1965, and shall apply only to the Federal territory.

50 (2) This Act shall come into force on such day as the Minister may by order published in the Federal Gazette appoint.

Short title,  
extent and  
commence-  
ment.

Section 2.

## SCHEDULE

## NOTICE FOR INCLUSION IN HIRE-PURCHASE AGREEMENTS

*Right of hirer to terminate agreement*

1. The hirer may put an end to this agreement by giving notice of termination in writing to any person who is entitled to collect or receive the hire-rent. 5

2. He must then pay any instalments which are in arrear at the time when he gives notice. If, when he has paid those instalments, the total amount which he has paid under the agreement is less than (*here insert the minimum amount which the hirer is required to pay in accordance with the provisions of sections 8 and 20 (3) of this Act*) he must also pay enough to make up that sum. 10

3. If the goods have been damaged owing to the hirer having failed to take reasonable care of them, the owner may sue him for the amount of the damage unless that amount can be agreed between the hirer and the owner. 15

4. The hirer should see whether this agreement contains provisions allowing him to put an end to the agreement on terms more favourable to him than those just mentioned. If it does, he may put an end to the agreement on those terms. 20

*Restriction of owner's right to recover goods*

5. \*[After (*here insert an amount calculated in accordance with the provisions of sections 9 and 20 (3) of this Act*) has been paid, then,] unless the hirer has himself put an end to the agreement, the owner of the goods cannot take them back from the hirer without hirer's consent unless the owner obtains an order of the court. 25

6. If the owner applies to the court for such an order, the court may, if the court thinks it just to do so, allow the hirer to keep either—

(a) the whole of the goods, on condition that the hirer pays the balance of the price in the manner ordered by the court ; or 30

(b) a fair proportion of the goods having regard to what the hirer has already paid.

\*If the agreement is a further agreement within the meaning of section 11 of this Act, the words in square brackets should be omitted.