

**CHAPTER 134**  
**HIRE-PURCHASE ACT**

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• Act • Subsidiary Legislation •

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**ACT**

Act No. 6 of 1961

**Amended by**

Act No. 16 of 1961

Act No. 26 of 1993

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**CHAPTER 134**  
**HIRE-PURCHASE ACT**

**An Act to regulate the making and enforcement of certain hire-purchase and credit-sale agreements, and for connected purposes.**

[Act No. 6 of 1961 amended by Act No. 16 of 1961, Act No. 26 of 1993.]

[25th March, 1961.]

## 1. Short title

This Act may be cited as the Hire-Purchase Act.

## 2. Interpretation

(1) In this Act—

“action” includes counterclaim and set-off;

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

“contract of guarantee” means, in relation to a hire-purchase agreement or credit-sale agreement, a contract, made at the express or implied request 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 word “guarantor” shall be construed accordingly;

“credit-sale agreement” means an agreement for the sale of goods under which the purchase price is payable by five or more instalments;

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

“goods” include emblements, industrial growing crops, things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale and all other chattels personal, whether similar to the foregoing or not, except choses in action and monies;

“hire-purchase agreement” means an agreement for the bailment of goods under which the bailee may buy the goods or under which the property in the goods will or may pass to the bailee, 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 whether the bailee may buy the goods, or the property therein will or may pass to the bailee, the agreements shall be treated for the purpose of this Act as a single agreement made at the time when the last of the agreements was made;

“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 a breach of the agreement and includes any sum payable by the hirer under a hire-purchase agreement by way of a deposit or other initial payment, or credited or to be credited to him or her under such an 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 monies or by the transfer of delivery of goods or by any other means;

“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;

“owner” means the person who proposes to let, 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;

“property” means the general property in goods, and not merely a special property;

“sale” includes a bargain and sale as well as a sale and delivery;

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

“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 a breach of the agreement;

“warranty” means an agreement with reference to goods which are the subject of a contract of sale, 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.

(2) Where an owner has agreed that any part of the hire-purchase price may be discharged otherwise than by the payment of monies, any such discharge shall, for the purposes of sections 6 and 8, be deemed to be a payment of that part of the hire-purchase price.

### **3. Application of Act**

This Act shall apply in relation 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 the sum of twenty thousand dollars and the expressions “hire-purchase agreement” and “credit-sale agreement” shall be construed accordingly.

### **4. Requirements relating to hire-purchase agreements**

(1) Before a 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 or her for cash (in this section referred to as the “cash price”):

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 or her 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 therein; 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 therein.

(2) An owner shall not be entitled to enforce a hire-purchase agreement or any contract of guarantee relating thereto or any right to recover the goods from the hirer, and no security given by the hirer in respect of monies payable under the hire-purchase agreement or given by a guarantor in respect of monies payable under such a contract of guarantee shall be enforceable against the hirer or guarantor by any holder thereof, unless the requirement specified in subsection (1) 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;
- (b) the note or memorandum contains 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 contains a list of the goods to which the agreement relates sufficient to identify them;
- (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 prescribed in the Schedule; and
- (d) a copy of the note or memorandum is delivered or sent to the hirer at his or her address as contained in the agreement within seven days of the making of the agreement:

Provided that if in any action a court is satisfied that a failure to comply with the requirement specified in subsection (1) of this section 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.

## **5. Requirements relating to credit-sale agreements**

(1) Before making a credit-sale agreement under which the total purchase price exceeds twenty-five dollars, the seller shall state in writing to the prospective buyer, otherwise than in the note or memorandum of the agreement, a price at which the goods may be purchased by him or her for cash (in this section referred to as the “cash price”):

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

- (a) if the buyer has inspected the goods or like goods and at the time of his or her 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 therein; or
- (b) if the buyer 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 therein.

(2) A person who has sold goods by a credit-sale agreement under which the total purchase price exceeds twenty-five dollars shall not be entitled to enforce the agreement or any contract of guarantee relating thereto, and no security given by the buyer in respect of monies payable under the credit-sale agreement or given by a guarantor in respect of monies payable under such a contract of guarantee shall be enforceable against the buyer or guarantor by a holder thereof, unless the requirement specified in subsection (1) has been complied with, and—

- (a) a note or memorandum of the agreement is made and signed by the buyer and by or on behalf of all other parties to the agreement;
- (b) the note or memorandum contains a statement of the total 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 total purchase price is to be paid and of the date, or the mode of determining the date, upon which each instalment is payable, and contains a list of the goods to which the agreement relates sufficient to identify them; and
- (c) a copy of the note or memorandum is delivered or sent to the buyer at his or her address as contained in the agreement with seven days of the making of the agreement:

Provided that if in any action a court is satisfied that a failure to comply with the requirement specified in subsection (1) of this section or any requirement specified in paragraph (b) or (c) of this subsection has not prejudiced the buyer, 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.

## **6. Right of hirer to determine hire-purchase agreement**

(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 the sums payable under the agreement and at the same time or prior thereto shall deliver the goods to the owner, 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, due in respect of the hire-purchase price immediately before the termination, or such less amount as may be specified in the agreement.

(2) If a hirer gives notice of termination of a hire-purchase agreement without delivering the goods as required by this section such notice shall be of no effect and the hire-purchase agreement shall remain in full force.

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

(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.

## **7. Avoidance of certain provisions in agreements**

A provision in any agreement—

- (a) whereby an owner or any person acting on his or her behalf is authorised to enter forcibly 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 forcible entry;
- (b) whereby the right conferred on a hirer by this Act to determine the hire-purchase agreement is excluded or restricted, or whereby 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 or her under this Act;
- (c) whereby the right conferred on a hirer by this Act to remedy the breach of a hire-purchase agreement in accordance with the provisions of this Act is excluded or restricted or whereby any liability in addition to any liability imposed by this Act is imposed on a hirer by reason of the continuation of the hire-purchase agreement under this Act;
- (d) 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 or she would have been subject if the agreement had been determined by him or her under this Act;
- (e) 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 the buyer; or
- (f) whereby an owner or seller is relieved from liability for the acts or defaults of any person acting on his or her behalf in connection with the formation or conclusion of a hire-purchase agreement or credit-sale agreement,

shall be void.

## **8. Duty of owners and sellers to supply documents and information**

(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 seven days after he or she has received a request in writing from the hirer or buyer and the hirer or buyer, who has tendered to him or her the sum of two dollars for expenses, supply to the hirer or buyer a copy of any memorandum or note of the agreement, together with a statement signed by that person or his or her agent showing—

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