



BELIZE

**HIRE-PURCHASE ACT
CHAPTER 292**

REVISED EDITION 2000
SHOWING THE LAW AS AT 31ST DECEMBER, 2000

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Laws of Belize, Revised Edition 1980 - 1990.

This edition contains a consolidation of the following laws-	Page
ARRANGEMENT OF SECTIONS	3
HIRE-PURCHASE ACT	5
Amendments in force as at 31st December, 2000.	



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CHAPTER 292
HIRE-PURCHASE

ARRANGEMENT OF SECTIONS

1. Short title.
2. Interpretation.
3. Application of Act.
4. Requirements relating to hire-purchase agreements.
5. Hire-purchase agreement not enforceable unless requirement of section 4 complied with and the agreement put in writing.
6. Requirements relating to credit-sale agreements.
7. Right of hirer to terminate hire-purchase agreement.
8. Avoidance of certain provisions.
9. Duty of owners and sellers to supply documents and information.
10. Duty of hirer to give information as to whereabouts of goods.
11. Conditions and warranties to be implied in hire-purchase agreements.
12. Appropriation of payments made in respect of hire-purchase agreements.

13. Evidence of adverse detention in action by owners to recover possession.
14. Restriction of owner's right to recover possession of goods otherwise than by action.
15. Powers of court in certain actions by owners to recover possession of the goods.
16. Effect of postponed order.
17. Powers of the court to deal with payments arising on determination of hire-purchase agreements.
18. Successive hire-purchase agreements between the same parties.
19. Provisions as to bankruptcy of hirer and distress on hirer's premises.
20. Hirer's refusal to surrender goods not to be conversion in certain cases.
21. Special provisions as to installation charges.

SCHEDULE

CHAPTER 292

HIRE-PURCHASE

[13th March, 1954]

Ch. 214,
R.L., 1958.
CAP. 220,
R.E. 1980-1990.
4 of 1967.
Short title.

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

2.-(1) In this Act, unless the context otherwise requires:-

Interpretation.

“action”, “buyer”, “delivery”, “goods”, “property”, “sale”, “seller”, “warranty” have the meanings respectively assigned to them by the Sale of Goods Act;

CAP. 261.

“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;

“court” means any court competent to exercise jurisdiction in respect of the cause of action involved, or the claim brought or relief sought, in any civil proceedings before it;

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

“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 hirers’ rights or liabilities under the agreement have passed by assignment or by operation of law;

“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 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;

“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;

“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,

“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.

(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 7, 9, 14, 15, 16, 17 and 18, be deemed to be a payment of that part of the hire-purchase price.

Application of Act.

3. 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 three thousand dollars.

Requirements relating to hire-purchase agreements.

4. 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”):

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 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.

5.-(1) 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 money payable under the hire-purchase agreement or given by a guarantor in respect of money payable under such a contract of guarantee as aforesaid shall be enforceable against the hirer or guarantor by any holder thereof, unless the requirement specified in section 4 has been complied with, and a note or memorandum containing-

Hire-purchase agreement not enforceable unless requirement of section 4 complied with and the agreement put in writing.

- (a) 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 instalment 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;
- (b) a list of the goods to which the agreement relates sufficiently to identify them; and

- Schedule. (c) 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,
- is made and signed by the hirer and by or on behalf of all other parties to the agreement.
- (2) A copy of the note or memorandum shall be delivered or sent to the hirer within seven days of the making of the agreement.
- (3) If the court is satisfied in any action that a failure to comply with the requirement specified in section 4 or in this section 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 that action.
- Requirements relating to credit-sale agreements. 4 of 1967. 6. Before making any credit-sale agreement under which the total purchase price exceeds twenty-five dollars, the seller shall comply with the requirements specified in sections 4 and 5, other than the provisions of section 5 (1) (c) of this Act, and the provisions of the said sections shall apply with reference to such a credit-sale agreement in like manner as they apply to a hire-purchase agreement, references therein to "hire-purchase agreement", "owner" and "hirer", being construed respectively in respect of such a credit-sale agreement as references to "credit-sale agreement", "seller" and "buyer".
- Right of hirer to terminate hire-purchase agreement. 7.-(1) A hirer shall, at any time before the final payment under a hire-purchase agreement falls due, be entitled to determine agreement by giving notice of termination in writing to any person entitled or authorised to receive the 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.

(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 to do so, 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.

8. Any provision in any agreement-

Avoidance of certain provisions.

- (a) whereby an owner or any 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 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 under this Act; or
- (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 the 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 agreement or credit-sale agreement,

shall be void.

Duty of owners and sellers to supply documents and information.

9.-(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 four days after he has received a request in writing from the hirer or buyer and the hirer or buyer has tendered to him the sum of fifty cents 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 which has become due under the agreement but remains unpaid, and the date upon 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) 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 such a contract of guarantee relating to the agreement shall be enforceable against the hirer or buyer or the guarantor by any holder thereof,

and, if the default continues for a period of one month, the defaulter shall be liable on summary conviction to a fine not exceeding one hundred dollars.

10.-(1) 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.

Duty of hirer to give information as to whereabouts of goods.

(2) If a hirer fails without reasonable cause to give the said information within fourteen days of the receipt of the notice, he shall be liable on summary conviction to a fine not exceeding one hundred dollars.

Conditions and warranties to be implied in hire-purchase agreements.

11.-(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 5 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 thereof, 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 such purpose.

(3) The warranties and conditions set out in subsection (1) 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) 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 any hire-purchase agreement.

12. 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, 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 made in respect of hire-purchase agreements.

13.-(1) Where, in an 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 the purpose of the owner's claim to recover possession thereof, be deemed to be adverse to the owner.

Evidence of adverse detention in actions by owners to recover possession.

(2) Nothing in this section shall affect a claim for damages for conversion.

14.-(1) Where goods have been let under a hire-purchase agreement and one-third 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

Restriction of owner's right to recover possession of goods otherwise than by action.

goods from the hirer otherwise than by action.

(2) Where an owner recovers possession of goods in contravention of subsection (1) 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 thereof; 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 thereof.

(3) The 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.

Powers of court in certain actions by owners to recover possession of the goods.

15.-(1) Where, in any case to which section 14 applies, an owner commences an action to enforce a right to recover possession of goods from a hirer after one-third 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 thereto, except by claiming the sum in the said 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 user 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 on condition that the hirer or any guarantor pays the unpaid balance of the hire-purchase price at such times and in such amounts as the court, having regard to the means of the hirer and of any guarantor, thinks just, and 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 paragraph (b) of subsection (4) unless the hirer satisfies the court that the goods are in his 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 by at least one-third of the unpaid balance of the hire-purchase price.

(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) For the purposes of this section, the expression-

“order for the specific delivery of goods to the owner” means an order for delivery of the goods to the owner, without giving the hirer the option to pay their value;

“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.

(9) Where 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) 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 subsection (4), make such reduction of the hire-purchase price and of the unpaid balance thereof as the court thinks just.

(10) Where an owner has recovered a part of the goods let under a hire-purchase agreement, and the recovery was effected in contravention of section 14, this section shall not apply in relation to any action by the owner to recover the remainder of the goods.

Effect of postponement of operation of an order for specific delivery of goods to the owner.

16.-(1) While the operation of an order for the specific delivery of goods to the owner is postponed under section 15, 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 modification of the terms of the hire-purchase agreement and of any contract of guarantee relating thereto 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 the goods to the owner is so postponed the hirer or a guarantor fails to comply with any condition of the postponement, or with any term of the agreement as varied by the court, or wrongfully disposes of the goods, the owner shall not take any civil proceedings against the hirer or guarantor otherwise than by making an application to the court by which the order was made:

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.

(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 thereto, as the court considers necessary having regard to the variation of the conditions of the postponement; or

- (b) revoke the postponement; or
- (c) make an order, in accordance with the provisions of section 15, 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.

Powers of the court to deal with payments arising on determination of hire-purchase agreements.

17.-(1) Where a hire-purchase agreement validly provides for the payment by the hirer on or after the termination 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 such sum in an action to which section 15 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;
- (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.

(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 15 of this Act applies, the court may treat the said sum as a sum paid or payable, as the case may be,

in respect of the hire-purchase price.

18. Where goods have been let under a hire-purchase agreement and at any time after one-third 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 14 and 15 of this Act shall have effect in relation to that further agreement as from the commencement thereof.

Successive hire-purchase agreements between the same parties.

19.-(1) Where, under the powers conferred by this Act, the court has postponed the operation of an order for the specific delivery of goods to any person, the goods shall not, during the postponement, be treated as goods which are by the consent or permission of that person in the possession, order or disposition of the hirer for the purposes of section 47 of the Landlord and Tenant Act.

Provisions as to bankruptcy of hirer and distress on hirer's premises.

CAP. 189.

20. If, whilst by virtue of this Act the enforcement by an owner of a right to recover possession of goods from a hirer is subject to any restriction, 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.

Hirer's refusal to surrender goods not to be conversion in certain cases.

21.-(1) 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, the references in section 7 of this Act to one-half of the hire-purchase price and in sections 14, 15 and 18 of this Act to one-third of the hire-purchase price shall be construed as references to the aggregate of the said amount and either one-half of the remainder of the hire-purchase price or one-third of the remainder of the hire-purchase price, as the case may be.

Special provisions as to installation charges.

(2) For the purpose of this section, the expression "installation" means-

- (a) the installing of any electric line or water pipe;
- (b) 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 such goods to be used thereon; and
- (c) 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 such construction or erection.

SCHEDULE

[Section 5 (1) (c)]

Notice to be included in Note or Memorandum of Hire-Purchase Agreement

NOTICE

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.
2. He must then pay any instalments which are in arrear at the time when he gives notice and 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 7 and 21 of this Act)* he must also pay enough to make up that sum.

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.

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.

Restriction of Owner's Right to Recover Goods

1. **[After (here insert an amount calculated in accordance with the provisions of sections 14 and 21 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 the hirer's consent unless the owner obtains an order of the court.

2. 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

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

**If the Agreement is a subsequent Agreement within the meaning of section 18 of this Act, the words in square brackets should be omitted.*