



# HYMERS COLLEGE

## THE CONSUMER CREDIT ACT 2006

### **PAYMENT OF SCHOOL FEES BY DIRECT DEBIT INSTALMENTS**

The Consumer Credit Act 2006 (“CCA”) introduced a requirement with effect from 6 April 2007 for a school which holds a CCA licence for the payment of fees by direct debit instalments to introduce complaint handling procedures, which must now include ultimate recourse to the Financial Ombudsman Service (the “FOS”). Credit for the purposes of the CCA involves the contractual deferment of debt. Where someone takes credit without being granted it, for example a parent who is slow in paying the school’s fees, there is no extension of credit under the CCA because the school has not agreed to grant the credit.

One of the main implications of the extension of the ambit of FOS is that a school holding a CCA licence is required to adopt and implement an in-house complaints-handling procedure that complies with the complaints handling rules issued by FOS. The aim of the rules is to try and ensure that customer complaints are resolved internally before the matter is referred to FOS. In situations where a school is unable to resolve a complaint internally, a parent will be entitled to refer the complaint to FOS.

Any parent who has reason for complaint regarding procedures at Hymers College for payment by instalments should in the first instance make it in writing to the Bursar, who will in turn respond in writing and deal with the matter as soon as possible, ensuring if there is any delay that the complainant is kept reasonably informed of the progress of the complaint.

If the complainant considers that the complaint has not been adequately addressed or redressed by the Bursar, he should address any further complaint to the Chairman of the Governors’ Finance Committee, who will consider the matter as soon as practicable but in any event within 8 weeks, and issue a final response letter on behalf of the school.

This letter will set out the school’s final view on the matter and state whether it:

- accepts the complaint and if appropriate offer redress;
- offers redress without accepting the complaint; or
- rejects the complaint and if so, the reasons for doing so.

The parent will be reminded of the right to refer the matter to FOS within 6 months of the date of the school’s final response if still dissatisfied, and be provided with the relevant FOS guidance leaflet. The FOS does not consider any complaint until the school itself has had the opportunity to resolve it.

The FOS has the power to instruct the school as a CCA licence holder to pay compensation to the complainant. It can also award costs or direct the school to take appropriate action, for example to apologise or to correct records.

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