



UNIVERSITI
TEKNOLOGI
MARA

Cawangan Terengganu

INFO US\$AHAWAN

PENAUNG:

DR ROSMAN MAHMOOD

CHIEF EDITOR/KETUA EDITOR:

PUAN NIK FAZLIN HIRYATI NIK JAAFAR

MANAGING EDITOR/EDITOR URUSAN:

CIK NOOR MALINJASARI BINTI ALI

EDITOR

PUAN SUZILA MAT SALLEH
PUAN NASIHA ABDULLAH
PUAN NORHAYATI HUSIN
PUAN ROSEZIAHAZNI ABD GHANI
PUAN 'ATIQA RASHIDAH ABU SAMAH
PUAN HASMIDA MOHD NOOR
PUAN RASLINA MOHAMED NOR
PUAN SITI FATIMAH MARDIAH HAMZAH
ENCIK WAN AHMAD KHUSAIRI WAN CHEK

DESIGNER/PEREKABENTUK

ENCIK ABDUL RANI JUSOH
PUAN NOOR HAFIZA MOHAMMED

EDISI
27

No issn:1823-6421

The Rights of Hirer under the Hire-Purchase Act 1967

W Fatimah Hanun Binti Wan Mohamad Saferdin¹,
Izyan Farhana Binti Zulkarnain¹
and Ikhwan Naguib Bin Jusoh²

¹Faculty of Law,
Universiti Teknologi MARA Sarawak Branch,
Samarahan 2 Campus, Sarawak.

²Faculty of Law,
Universiti Teknologi MARA Sarawak Branch,
Mukah Campus, Sarawak.

Correspondent email: hanun@uitm.edu.my,

Hire-purchase agreement is one of the most commonly used agreement to buy car in Malaysia. The relevant act that regulates the hire-purchase transaction in Malaysia is the Hire-Purchase Act 1967 (HPA). Section 2(1) of the HPA defines hire-purchase agreement as letting of goods by the owner to the hirer with an option to purchase is given to the hirer. It may also include an agreement for the hirer to purchase the goods by way of installments. The type of goods that fall within the scope of the HPA are all consumer goods and motor vehicles.

The hirer is entitled to the rights and protections under the HPA once the hire purchase-agreement has been entered into in compliance with the HPA. The HPA clearly sets out seven rights of the hirer that are contained in section 9 to 15. Firstly, the hirer has the right to request from the owner for a written statement pertaining to the information such as the amount paid to the owner by the hirer, the amount which has become due under the agreement but remains unpaid, the amount which is to become payable under agreement and the amount derived from interest on overdue installments. However, the hirer can only request not more than once in three months.

Secondly, the hirer has the right to require the owner to appropriate payments made in hire- purchase agreement. This right can be exercised in situation whereby the hirer has more than one hire-purchase agreement with the same owner. If payment is insufficient to discharge total amount due to the owner, the hirer can require the owner to appropriate



or divide the payment to all agreements. Thirdly, the hirer has the right to apply to the Magistrate's Court for an order to remove the goods to another place. This right is relevant in hire-purchase agreement that requires the hirer to keep the goods in a specified place and he cannot remove them to new place without the consent of the owner.

Next, the hirer has the right to assign his right, title and interest under the hire-purchase agreement to a third party if the owner consents. The owner cannot withhold such consent unreasonably or else the hirer can apply to the court for an order declaring that the owner has unreasonably withheld consent. Besides that, the hirer owns the right to have his right, title and interest passed on to his personal representative or if the hirer is a company, to its liquidator. This may happen in the event that the hirer died or wound up.

In addition, the hirer has the right to complete the hire-purchase agreement before the due date. He has the right to make such early completion by giving notice in writing to the owner and on or before the specified day, pay to the owner the net balance due under the agreement. Finally, the hirer may terminate the hire-purchase agreement by returning the goods to the owner during ordinary business hours at the place which the owner ordinarily carries on business or to the place specified under the hire-purchase agreement.

References

- [1] Hire-Purchase Act 1967
- [2] Mei Pheng, Lee and Ivan Jeron Detta (2016). *The creators: Business Law*. Shah Alam: Oxford Fajar Sdn Bhd
- [3] Sufian, Azlinor (2011) *A Review on the Application of Malaysian Hire Purchase Act 1967 and the Recent Amendments 2010*. In: Law and commerce: The Malaysian perspective. IIUM Press, Kuala Lumpur, pp. 367-385. ISBN 9789670225432
- [4] https://kwikcar.my/blog/wp-content/uploads/2019/01/16689214063_459a1c92c6_b.jpg