Hire Purchase

1. Seller remains the owner; the purchaser becomes the hirer.

- Inapplicable to immovables, motor vehicles or heavy plant: title belongs to the registered owner regardless of the parties' agreement. 2009Do5064
- Mainly for movables: Unless the third party purchaser in good faith can satisfy Art. 249 (in which case, the purchaser would acquire a clean title), the owner can recover the movables.
    - 99Da30534: Even if the third party had no knowledge that the title was reserved to the seller; even for sale of unascertained goods (steel, as building material).
    - 2009Da93671: Even if the purchase price was nearly paid…
    - 2009Da15602: Steel was sold with title reserved to the seller. Purchaser used the steel to build a building of a third party. Third party did not know that the title was reserved. The seller demanded unjust enrichment (in respect of the steel, which now forms part of the building) from the third party. Seller's claim against the third party failed.
    - Can the third party purchaser pay up the remainder of the original purchase price to the original seller and acquire title? (ie., can the purchaser transfer its 'conditional title' to the third party w/o seller's authorisation?)

2. Seller's right

- Repossession upon purchaser's default
- In the event of purchaser's bankruptcy, the seller can recover the thing as it does not belong to, and must be separated from, the bankruptcy estate.

- If the purchaser is subject to ‘official’ auction to discharge a judgment debt, the seller may file a claim to separate the thing from the debtor’s (purchaser’s) estate.
- Re-selling without assigning the credit?

3. Purchaser’s ‘right’

- Upon full payment of price, the purchaser acquires title.
- While the price has not been fully paid, the thing may be sold to a sub-purchaser with the knowledge of the hire purchase. The sub-purchaser becomes the owner upon full payment of the price.

4. Passing of risk

- Risk passes with possession