

## Hire Purchase Law and Commercial Transactions in Rivers State

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### Abstract

*This study evaluated the effect of Hire Purchase Law on commercial transactions in Rivers State, Nigeria. Specifically, the study sought to examine the relationship between hire purchase legal provisions and consumer protection, and assess the relationship between the regulatory framework of hire purchase law and dispute resolution efficiency in hire purchase transactions in Rivers State. The study adopted a descriptive survey research design. The population of the study comprised 970 staff, from which a sample size of 256 respondents was determined using the Freund and Williams statistical formula. Data were collected primarily through the administration of structured questionnaires. A total of 269 questionnaires were returned and correctly completed for analysis. The data collected were presented and analysed using descriptive statistics, while the hypotheses were tested using the Z-test. The findings revealed that hire purchase legal provisions had a significant positive relationship with consumer protection in hire purchase transactions in Rivers State ( $Z = 9.232, p < 0.05$ ). Similarly, the regulatory framework of hire purchase law had a significant positive relationship with dispute resolution efficiency in hire purchase transactions in Rivers State ( $Z = 9.544, p < 0.05$ ). The study concluded that hire purchase legal provisions and the regulatory framework of hire purchase law significantly enhance consumer protection and dispute resolution efficiency in hire purchase transactions in Rivers State. The study therefore recommended, among others, that government and relevant regulatory agencies should strengthen the enforcement of hire purchase legal provisions and increase public awareness to enable consumers to understand their rights and obligations in hire purchase transactions.*

**Keywords:** Hire Purchase Law, Commercial Transactions, Consumer Protection, Regulatory Framework, Dispute Resolution

**Cite:** Chima, C. C., Odoh, J. C. & Mbah, P. C. (2026). Hire Purchase Law and Commercial Transactions in Rivers State. *International Journal of Contemporary Marketing and Management*, 4 (3), 18-32. <https://doi.org/10.5281/zenodo.22767745>

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## **Introduction**

Hire purchase transactions have existed for many decades as an important means of facilitating trade and commercial activities across the world. Historically, the concept of hire purchase originated in the United Kingdom during the industrial revolution when individuals and businesses sought flexible methods of acquiring goods without making immediate full payment. The system became popular in the nineteenth century with the expansion of industrial production and consumer markets, especially for household equipment, automobiles, and machinery. Hire purchase law subsequently developed to regulate the contractual relationship between owners, sellers, and hirers, while protecting consumers against unfair commercial practices. Smith and Taylor (2025), hire purchase agreements emerged as a vital mechanism for balancing commercial credit accessibility with consumer protection in modern economies. The authors noted that legal regulations governing hire purchase transactions have continued to evolve globally due to the increasing complexity of commercial transactions and digital financing systems.

Globally, hire purchase has become an important component of commercial law and economic development because it enables individuals and firms to acquire assets through installment payments while enjoying immediate possession of the goods. In countries such as the United Kingdom, the United States, India, and South Africa, hire purchase transactions contribute significantly to the growth of commerce, transportation, agriculture, and industrial production. Modern commercial systems rely heavily on credit arrangements, and hire purchase agreements have become essential tools for promoting consumer spending, improving access to capital goods, and encouraging business expansion. Johnson and Miller (2025) observed that effective hire purchase legislation promotes commercial confidence, reduces contractual disputes, and strengthens financial inclusion within both developed and developing economies. The increasing integration of technology into commercial transactions has also transformed hire purchase agreements into electronic and digitally managed contracts, thereby increasing the need for stronger legal regulation and enforcement.

In Nigeria, hire purchase transactions became more prominent after independence due to rapid urbanization, industrialization, and increased consumer demand for goods such as vehicles, electronics, and industrial equipment. The enactment of the Hire Purchase Act of 1965 provided the legal framework regulating hire purchase agreements and protecting the rights of both owners and hirers. The law outlines conditions relating to formation of contracts, payment procedures, repossession of goods, and remedies available to parties in the event of breach of contract. Nigerian businesses, financial institutions, and consumers have increasingly relied on hire purchase arrangements to facilitate commercial transactions and access goods that may otherwise be unaffordable through outright purchase. According to Okonkwo and Ibrahim (2025), hire purchase law plays a significant role in promoting commercial transactions in Nigeria by encouraging trade expansion, supporting small and medium-scale enterprises, and improving access to productive assets. However, the authors argued that weak enforcement mechanisms, contractual disputes, and lack of public awareness continue to limit the effectiveness of hire purchase transactions in the country.

At the local level, Rivers State remains one of the major commercial and industrial centers in Nigeria due to its oil and gas activities, maritime trade, manufacturing industries, and growing urban population. Commercial

transactions involving motor vehicles, industrial machinery, household equipment, and consumer goods are increasingly conducted through hire purchase arrangements in cities such as Port Harcourt and other parts of the state. Many businesses and individuals depend on hire purchase agreements to finance economic activities and improve living standards. However, challenges such as contract default, unlawful repossession, inadequate legal awareness, and poor enforcement of contractual rights have continued to affect the smooth operation of hire purchase transactions in Rivers State. Eze and Amadi (2025) maintained that ineffective implementation of hire purchase regulations in Rivers State has contributed to increasing commercial disputes and reduced confidence among parties involved in credit transactions. Consequently, there is a growing need to examine the relationship between hire purchase law and commercial transactions in Rivers State in order to determine the effectiveness of the legal framework and its impact on commercial activities.

### **Statement of the Problem**

In an ideal commercial environment, hire purchase law is expected to provide an effective legal framework that regulates commercial transactions, protects the rights of both owners and hirers, and promotes business confidence. The law is designed to ensure fairness in installment payment agreements, prevent unlawful repossession of goods, reduce contractual disputes, and encourage access to credit facilities for individuals and businesses. A properly implemented hire purchase system should promote commercial growth, improve consumer protection, enhance access to productive assets, and stimulate economic activities within the society. In Rivers State, where commercial and industrial activities are rapidly expanding, hire purchase transactions are expected to facilitate the acquisition of vehicles, industrial equipment, household appliances, and other goods necessary for business and personal development.

However, despite the existence of the Hire Purchase Act and other commercial regulations in Nigeria, hire purchase transactions in Rivers State continue to experience several legal and operational challenges. Many hirers and business owners face problems such as breach of contract, unlawful repossession of goods, hidden contractual terms, excessive charges, and inadequate awareness of their legal rights and obligations. In some cases, owners and finance companies fail to comply with the legal procedures required before repossessing goods, while some hirers deliberately default in payment obligations, leading to increasing commercial disputes. Weak enforcement of hire purchase laws, delays in judicial processes, and poor legal enlightenment have further reduced the effectiveness of hire purchase transactions in Rivers State (Eze & Amadi, 2025).

The consequence of these challenges has led to reduced confidence in hire purchase agreements, increasing litigation, financial losses, and strained business relationships among parties involved in commercial transactions. Many businesses and consumers become reluctant to engage in hire purchase arrangements due to fear of fraud, exploitation, or legal uncertainty. This situation negatively affects commercial growth, access to credit facilities, and economic development within Rivers State. Furthermore, the persistent disputes arising from hire purchase transactions contribute to congestion in the courts and weaken trust in commercial law enforcement. Therefore, there is a need to examine the effectiveness of hire purchase law and its impact on commercial transactions in Rivers State.

### **Objectives of the Study**

The main objective of the study was to evaluate Hire Purchase Law and Commercial Transactions in Rivers State. The specific objectives are to:

- i. Examine the relationship between hire purchase legal provisions and consumer protection in hire purchase transactions in Rivers State
- ii. Assess the relationship between regulatory framework of hire purchase law and dispute resolution efficiency in hire purchase transactions in Rivers State

### **Research Questions**

**The following Research Questions guided the study**

- i. What is the relationship between hire purchase legal provisions and consumer protection in hire purchase transactions in Rivers State
- ii. What is the relationship between regulatory framework of hire purchase law and dispute resolution efficiency in hire purchase transactions in Rivers State

### **Statement of Hypotheses**

**The following Hypotheses guided the study**

- i. Hire purchase legal provisions has relationship with consumer protection in hire purchase transactions in Rivers State
- ii. Regulatory framework of hire purchase law has relationship with dispute resolution efficiency in hire purchase transactions in Rivers State

### **Scope of the Study**

The study focused on Hire Purchase Law and Commercial Transactions in Rivers State, Nigeria. The study examined the legal framework regulating hire purchase transactions, particularly the provisions of the Hire Purchase Act and other related commercial laws applicable in Nigeria. The research covered the extent to which hire purchase laws influence commercial transactions, consumer protection, contractual relationships, and dispute resolution in Rivers State.

Geographically, the study was limited to Rivers State, with emphasis on commercial activities involving hire purchase transactions within the state. The study considered selected businesses, finance companies, traders, and consumers engaged in hire purchase arrangements. Thematically, the research was restricted to issues relating to legal provisions, regulatory frameworks, enforcement of agreements, and challenges associated with hire purchase transactions in commercial practice.

### **Review of Related Literature**

#### **Conceptual Review**

##### **Hire Purchase Law**

Hire purchase law refers to the body of legal principles and statutory regulations governing agreements in which a hirer obtains possession and use of goods immediately while payment is made in installments over a specified

period. Ownership of the goods remains with the owner until the hirer completes the final payment according to the terms of the agreement. Hire purchase law is designed to regulate the relationship between parties, ensure fairness in commercial transactions, and protect consumers from exploitation. According to Okonkwo and Ibrahim (2025), hire purchase law serves as an important commercial instrument that promotes access to goods and services while ensuring legal protection for both owners and hirers. The authors explained that the law enhances economic activities by encouraging installment-based acquisition of goods in modern commercial systems.

### **Hire Purchase Legal Provisions**

The legal provisions governing hire purchase transactions in Nigeria are primarily contained in the Hire Purchase Act of 1965. The Act regulates agreements relating to installment purchases of goods and outlines conditions necessary for the validity and enforceability of hire purchase contracts. One major provision of the law is that hire purchase agreements must be in writing and signed by the hirer. The agreement must also clearly state the cash price, hire purchase price, installment terms, and rights of the parties involved. Eze and Amadi (2025), the Hire Purchase Act protects hirers from unlawful repossession by requiring owners to follow due legal procedures before recovering goods.

### **Regulatory Framework of Hire Purchase Law**

The regulatory framework of hire purchase law in Nigeria involves statutory laws, judicial interpretation, and regulatory institutions responsible for commercial dispute management. The Hire Purchase Act serves as the principal legislation regulating hire purchase agreements in Nigeria. Courts also play an essential role in interpreting contractual obligations and resolving disputes arising from hire purchase transactions.

In addition, regulatory agencies such as the Consumer Protection Council, now operating under the Federal Competition and Consumer Protection Commission (FCCPC), contribute to protecting consumers against unfair trade practices associated with hire purchase transactions. Adewale and Chukwu (2025), the regulatory framework of hire purchase law in Nigeria aims to strengthen consumer confidence, encourage commercial credit systems, and improve business relationships between sellers and buyers. However, the authors noted that weak enforcement mechanisms, delay in judicial proceedings, and inadequate awareness of legal rights continue to affect the efficiency of the regulatory framework.

### **Commercial Transactions**

Commercial transactions refer to legally recognized exchanges of goods, services, money, or property between individuals, organizations, or business entities for economic benefit. Hire purchase agreements form part of commercial transactions because they involve contractual relationships aimed at facilitating trade and acquisition of goods through installment payments. In Rivers State, commercial transactions involving vehicles, electronics, industrial equipment, and household appliances frequently rely on hire purchase arrangements. Okafor and Nnadi (2025), commercial transactions supported by hire purchase agreements contribute significantly to economic growth by improving access to productive assets and promoting business activities.

### **Consumer Protection**

Consumer protection in hire purchase transactions involves legal measures aimed at safeguarding hirers against unfair contractual terms, exploitation, and unlawful repossession of goods. Consumer protection laws ensure that consumers are adequately informed about the terms and conditions of hire purchase agreements before entering

into contracts. The law also protects consumers from deceptive practices, excessive charges, and abuse of contractual powers by owners or finance companies. Eze and Amadi (2025) stated that effective consumer protection enhances trust and confidence in hire purchase transactions by ensuring fairness and transparency.

### Dispute Resolution Efficiency

Dispute resolution efficiency refers to the ability of legal and institutional mechanisms to quickly and fairly resolve conflicts arising from hire purchase agreements. In Rivers State, disputes relating to default in payment, unlawful repossession, breach of contract, and disagreement over contractual terms are common in hire purchase transactions. Efficient dispute resolution is necessary to maintain commercial confidence and protect business relationships. Adewale and Chukwu (2025), effective dispute resolution mechanisms reduce financial losses, minimize delays in commercial activities, and improve trust in commercial law enforcement. However, challenges such as judicial delays, high litigation costs, weak enforcement of judgments, and inadequate legal awareness continue to affect dispute resolution efficiency in Rivers State. Okonkwo and Ibrahim (2025) further observed that alternative dispute resolution mechanisms such as arbitration and mediation can improve the speed and effectiveness of resolving hire purchase disputes while reducing pressure on the courts.

### Conceptual Framework

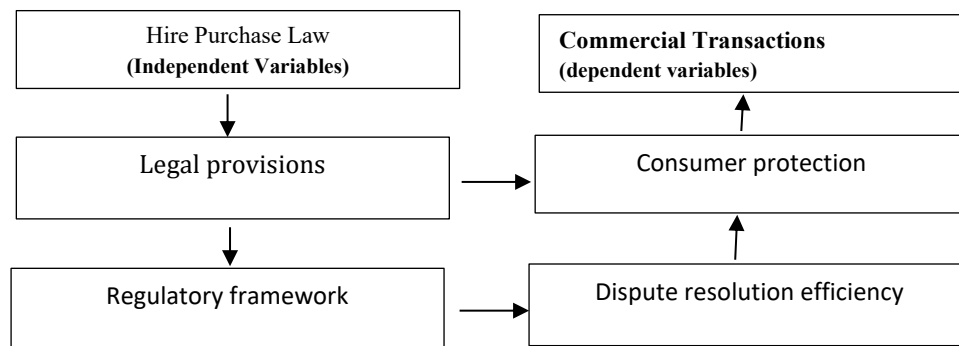


**Fig.2 Conceptual diagram**

The diagram above illustrates the linkage on the Hire Purchase Law and Commercial Transactions in Rivers State.. The independent Variable of the study Hire Purchase Law includes legal provisions and Regulatory framework while the dependents of the Commercial Transaction include : Consumer protection and dispute resolution efficiency in Rivers State.

### Theoretical Framework

Contract Theory propounded by Thomas Hobbes in 1651 guided the Study.

The theory explains that commercial relationships are based on legally binding agreements voluntarily entered into by parties with defined rights and obligations. In hire purchase transactions, the theory emphasizes that both the owner and the hirer are expected to comply with the terms of the agreement regarding payment, possession, and ownership of goods. The theory is relevant to the study because hire purchase transactions in Rivers State are contractual in nature and require legal enforcement to ensure fairness, consumer protection, and smooth commercial operations.

## **Empirical Review**

### **Hire Purchase Legal Provisions on Consumer Protection**

Enyia (2018) assessed the impact of the Hire Purchase Act on consumer credit transactions in Nigeria. The study adopted a historical and doctrinal methodology using legal documents and commercial transaction records. The findings revealed that the Hire Purchase Act significantly improved consumer access to credit facilities and protected buyers from exploitative commercial practices. The study further found that legal safeguards relating to installment payments and repossession enhanced consumer confidence in commercial transactions.

Ugwuanyi (2024) examined the concept of hire purchase in Nigerian commercial law with emphasis on consumer rights and obligations. The study used doctrinal legal research methodology through analysis of statutory laws, textbooks, and case law. The findings showed that hire purchase legal provisions promote consumer access to goods while protecting hirers from unfair contractual practices.

Nwankwo and Nwankwo (2025) examined the effect of legal provisions relating to repossession and termination rights on consumer protection in hire purchase transactions in Nigeria. The study adopted a doctrinal research methodology using statutory analysis, judicial precedents, and comparative legal review. Data were obtained from primary legal sources including the Hire Purchase Act and decided court cases. The study found that Sections 8–10 of the Hire Purchase Act significantly protect consumers against arbitrary repossession of goods by owners. However, the study revealed that weak enforcement mechanisms and poor legal awareness among hirers reduce the effectiveness of these provisions.

Chukwu (2025) investigated the implications of Section 14 of the Hire Purchase Act on the protection of hirers in Nigeria. The study employed a doctrinal and analytical methodology through examination of statutes and judicial authorities relating to hire purchase agreements. Findings showed that the legal provisions regulating repossession and adverse possession help to balance the rights of owners and hirers in commercial transactions. The study further found that the requirement for written notice before repossession enhances consumer protection by preventing unlawful seizure of goods.

Nwankwo (2025) studied the evolution of legal formalities in hire purchase agreements and their impact on consumer protection in Nigeria. The study adopted a doctrinal methodology involving historical and comparative analysis of statutory provisions governing hire purchase transactions. The findings revealed that legal formalities such as written agreements, disclosure of installment terms, and statutory documentation protect consumers from exploitation and fraudulent practices. The study concluded that the Hire Purchase Act has improved transparency in commercial transactions, although outdated provisions still limit full consumer protection in modern commercial practices.

### **Regulatory Framework of Hire Purchase Law on Dispute Resolution Efficiency**

Mohammed-Yusuf and Abiola (2024) examined the legality and regulatory framework of hire purchase transactions under common and Islamic law perspectives. The study used historical and analytical methodologies with reliance on primary and secondary legal materials. Findings revealed that clear legal regulations improve commercial certainty and reduce contractual disputes in hire purchase transactions. The study further found that legal ambiguities and inconsistent enforcement negatively affect dispute resolution efficiency. The researchers recommended harmonization of legal frameworks to improve commercial justice delivery.

Nwankwo and Nwankwo (2025) examined the effectiveness of the regulatory framework governing dispute resolution in hire purchase transactions in Nigeria. The study adopted doctrinal and comparative legal methodologies using statutory provisions and judicial decisions. Findings showed that the Hire Purchase Act provides legal mechanisms for resolving disputes arising from repossession, default, and termination of agreements. However, the study found that judicial delays and procedural complexities reduce dispute resolution efficiency.

Nwankwo (2025) investigated the legal formalities regulating hire purchase agreements and their influence on commercial dispute management in Nigeria. The study employed doctrinal methodology using legal analysis of statutes and case law. Findings revealed that formal legal procedures improve certainty and reduce disputes in commercial transactions. However, outdated statutory provisions and weak enforcement were identified as major barriers to effective dispute resolution. The study recommended legislative reforms to improve efficiency in resolving hire purchase disputes.

Ugwuanyi (2024) explored dispute resolution challenges in Nigerian hire purchase transactions. The study adopted doctrinal methodology through review of legal literature and judicial decisions. Findings showed that the regulatory framework supports commercial transactions by providing remedies for breach of contract and repossession disputes. However, delays in litigation and inadequate consumer awareness weaken dispute resolution efficiency.

Nwankwo and Nwankwo (2025) focused on termination and repossession disputes under Nigerian hire purchase law. The study adopted doctrinal methodology and comparative legal analysis. Findings showed that court-supervised repossession procedures significantly reduce arbitrary actions by owners and improve fairness in dispute resolution. However, delays in court proceedings and high litigation costs were identified as major limitations affecting efficient resolution of disputes in hire purchase transactions.

#### **Summary of Gap in Empirical Reviewed**

The empirical studies reviewed on Hire Purchase Law and Commercial Transactions in Rivers State revealed that most previous studies focused mainly on consumer protection, repossession rights, legal formalities, and dispute resolution under the Nigerian Hire Purchase Act. The studies largely adopted doctrinal and analytical methodologies with emphasis on statutory interpretation and judicial decisions. However, there is limited empirical evidence specifically examining the relationship between hire purchase law and commercial transactions in Rivers State. Most of the reviewed studies were conducted at the national level without adequate attention to the peculiar commercial realities, enforcement challenges, and dispute resolution efficiency within Rivers State. In addition, few studies combined the variables of hire purchase legal provisions, regulatory framework, consumer protection, and dispute resolution efficiency within a single study. Therefore, this study seeks to fill the gap by examining hire purchase law and commercial transactions in Rivers State from a broader and localized perspective.

#### **Methodology**

The area of study was River State. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. A total population of 970 comprised of business owners, hire purchase operators, legal practitioners, consumers, and officials of relevant regulatory agencies involved in commercial transactions in Rivers State. The adequate sample size of two hundred and seventy eight (278) using Freund and William's statistic formula at 5 percent margin of error. Two hundred and fifty seven (257) staff

returned the questionnaire and accurately filled. That gave 92 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.860 which was also good. Data was presented and analyzed by mean score and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z – test statistic tool.

## Data Presentation and Analysis

### Data Presentation

#### Relationship between hire purchase legal provisions and consumer protection in hire purchase transactions in Rivers State

**Table 1: Responses on the relationship between hire purchase legal provisions and consumer protection in hire purchase transactions in Rivers State**

|                                                |                                                                                                                                                                      | 5<br>SA            | 4<br>A            | 3<br>N          | 2<br>DA          | 1<br>SD          | ΣFX                 | -<br>X       | SD             | Decision |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|-----------------|------------------|------------------|---------------------|--------------|----------------|----------|
| 1                                              | Hire purchase legal provisions help to protect consumers from unfair practices in hire purchase transactions in Rivers State.                                        | 725<br>145<br>56.4 | 256<br>64<br>24.9 | 33<br>11<br>4.3 | 22<br>11<br>4.3  | 26<br>26<br>10.1 | 1062<br>257<br>100% | 4.13         | 1.295          | Agree    |
| 2                                              | The provisions ensure that consumers are properly informed about payment terms, ownership conditions, and their legal rights before entering agreements.             | 725<br>142<br>55.3 | 256<br>64<br>24.9 | 33<br>11<br>4.3 | 60<br>30<br>11.7 | 10<br>10<br>3.9  | 1084<br>257<br>100% | 4.16         | 1.180          | Agree    |
| 3                                              | Legal regulations also prevent excessive charges and unlawful repossession of goods by sellers or finance companies.                                                 | 740<br>148<br>57.6 | 256<br>64<br>24.9 | 33<br>11<br>4.3 | 40<br>20<br>7.8  | 14<br>14<br>5.4  | 1083<br>257<br>100% | 4.21         | 1.175          | Agree    |
| 4                                              | Effective enforcement of hire purchase laws increases consumer confidence and promotes fairness in commercial transactions.                                          | 740<br>148<br>57.6 | 256<br>64<br>24.9 | 33<br>11<br>4.3 | 40<br>20<br>7.8  | 14<br>14<br>5.4  | 1083<br>257<br>100% | 4.21         | 1.175          | Agree    |
| 5                                              | However, weak implementation and low public awareness of legal provisions may reduce the level of consumer protection in hire purchase transactions in Rivers State. | 735<br>147<br>57.2 | 256<br>64<br>24.9 | 33<br>11<br>4.3 | 26<br>13<br>5.1  | 22<br>22<br>8.6  | 1072<br>257<br>100% | 4.17         | 1.251          | Agree    |
| <b>Total Grand mean and standard deviation</b> |                                                                                                                                                                      |                    |                   |                 |                  |                  |                     | <b>4.176</b> | <b>1. 2152</b> |          |

**Source: Field Survey, 2026**

Table 1, 209 respondents out of 257 representing 81.3 percent agreed that Hire purchase legal provisions help to protect consumers from unfair practices in hire purchase transactions in Rivers State with mean score of 4.13 and standard deviation of 1.295. The provisions ensure that consumers are properly informed about payment terms, ownership conditions, and their legal rights before entering agreements 206 respondents representing 80.2 percent agreed with mean score of 4.16 and standard deviation of 1.180. Legal regulations also prevent excessive charges and unlawful repossession of goods by sellers or finance companies 212 respondents representing 82.5 percent agreed with mean score of 4.21 and standard deviation of 1.175. Effective enforcement of hire purchase laws

increases consumer confidence and promotes fairness in commercial transactions 212 respondents representing 82.5 percent agreed with mean score of 4.21 and standard deviation of 1.175. However, weak implementation and low public awareness of legal provisions may reduce the level of consumer protection in hire purchase transactions in Rivers State 211 respondents representing 82.1 percent agreed with a mean score of 4.17 and standard deviation 1.251.

**Relationship between regulatory framework of hire purchase law and dispute resolution efficiency in hire purchase transactions in Rivers State**

**Table 2: Responses on the relationship between regulatory framework of hire purchase law and dispute resolution efficiency in hire purchase transactions in Rivers State**

|                                                |                                                                                                                                         | 5<br>SA            | 4<br>A            | 3<br>N          | 2<br>DA          | 1<br>SD         | ΣFX                 | -<br>X       | SD            | Decisio<br>n |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|-----------------|------------------|-----------------|---------------------|--------------|---------------|--------------|
| 1                                              | The regulatory framework of hire purchase law improves dispute resolution efficiency in hire purchase transactions in Rivers State.     | 765<br>153<br>59.5 | 256<br>64<br>24.9 | 33<br>11<br>4.3 | 44<br>22<br>8.6  | 7<br>7<br>12.7  | 1105<br>257<br>100% |              |               | Agree        |
| 2                                              | Regulatory framework provides clear legal procedures for handling conflicts between buyers and sellers during hire purchase agreements. | 725<br>145<br>56.4 | 232<br>58<br>22.6 | 33<br>11<br>4.3 | 66<br>33<br>12.8 | 10<br>10<br>3.9 | 1066<br>257<br>100% | 4.15         | 1.206         | Agree        |
| 3                                              | The framework helps to reduce delays and misunderstandings by defining the rights and obligations of both parties.                      | 745<br>149<br>58.0 | 232<br>58<br>22.6 | 33<br>11<br>4.3 | 50<br>25<br>9.7  | 14<br>14<br>5.4 | 1074<br>257<br>100% | 4.18         | 1.215         | Agree        |
| 4                                              | Effective legal regulations encourage fair settlement of disputes and promote trust in hire purchase transactions.                      | 700<br>140<br>54.5 | 232<br>58<br>22.6 | 33<br>11<br>4.3 | 60<br>30<br>11.7 | 18<br>18<br>7.0 | 1043<br>257<br>100% | 4.06         | 1.299         | Agree        |
| 5                                              | However, inadequate enforcement and lengthy legal processes may affect the efficiency of dispute resolution in Rivers State.            | 720<br>144<br>56.0 | 232<br>58<br>22.6 | 33<br>11<br>4.3 | 70<br>35<br>13.6 | 9<br>9<br>3.5   | 1064<br>257<br>100% | 4.14         | 1.204         | Agree        |
| <b>Total Grand mean and standard deviation</b> |                                                                                                                                         |                    |                   |                 |                  |                 |                     | <b>4.166</b> | <b>1.1984</b> |              |

**Source: Field Survey, 2026**

Table 2, 217 respondents out of 257 representing 84.4 percent agreed that the regulatory framework of hire purchase law improves dispute resolution efficiency in hire purchase transactions in Rivers State with mean score of 4.30 and standard deviation of 1.068. Regulatory framework provides clear legal procedures for handling conflicts between buyers and sellers during hire purchase agreements 203 respondents representing 79.0 percent agreed with mean score of 4.15 and standard deviation of 1.206. The framework helps to reduce delays and misunderstandings by defining the rights and obligations of both parties 207 respondents representing 80.6 percent agreed with mean score of 4.18 and standard deviation of 1.215. Effective legal regulations encourage fair settlement of disputes and promote trust in hire purchase transactions 198 respondents representing 77.1 percent

agreed with mean score of 4.06 and standard deviation of 1.299. However, inadequate enforcement and lengthy legal processes may affect the efficiency of dispute resolution in Rivers State 202 respondents representing 78.6 percent agreed with a mean score of 4.14 and standard deviation 1.204.

### Test of Hypotheses

**Test of Hypotheses One: Hire purchase legal provisions has relationship with consumer protection in hire purchase transactions in Rivers State**

#### One-Sample Kolmogorov-Smirnov Test

|                                   |          | Hire purchase legal provisions help to protect consumers from unfair practices in hire purchase transactions in Rivers State. | The provisions ensure that consumers are properly informed about payment terms, ownership conditions, and their legal rights before entering agreements. | Legal regulations also prevent excessive charges and unlawful repossession of goods by sellers or financial companies. | Effective enforcement of hire purchase laws increases consumer confidence and promotes fairness in commercial transactions. | However, weak implementation and low public awareness of legal provisions may reduce the level of consumer protection in hire purchase transactions in Rivers State. |
|-----------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| N                                 |          | 257                                                                                                                           | 257                                                                                                                                                      | 257                                                                                                                    | 257                                                                                                                         | 257                                                                                                                                                                  |
| Uniform Parameters <sup>a,b</sup> | Minimum  | 1                                                                                                                             | 1                                                                                                                                                        | 1                                                                                                                      | 1                                                                                                                           | 1                                                                                                                                                                    |
|                                   | Maximum  | 5                                                                                                                             | 5                                                                                                                                                        | 5                                                                                                                      | 5                                                                                                                           | 5                                                                                                                                                                    |
| Most Extreme Differences          | Absolute | .564                                                                                                                          | .553                                                                                                                                                     | .576                                                                                                                   | .576                                                                                                                        | .572                                                                                                                                                                 |
|                                   | Positive | .101                                                                                                                          | .039                                                                                                                                                     | .054                                                                                                                   | .054                                                                                                                        | .086                                                                                                                                                                 |
|                                   | Negative | -.564                                                                                                                         | -.553                                                                                                                                                    | -.576                                                                                                                  | -.576                                                                                                                       | -.572                                                                                                                                                                |
| Kolmogorov-Smirnov Z              |          | 9.045                                                                                                                         | 8.858                                                                                                                                                    | 9.232                                                                                                                  | 9.232                                                                                                                       | 9.170                                                                                                                                                                |
| Asymp. Sig. (2-tailed)            |          | .000                                                                                                                          | .000                                                                                                                                                     | .000                                                                                                                   | .000                                                                                                                        | .000                                                                                                                                                                 |

a. Test distribution is Uniform.

b. Calculated from data.

### Decision Rule:

Since the calculated z-value (8.666) > critical z-value (.000) at the 5% significance level, we reject the null hypothesis ( $H_{01}$ ).

### Decision:

Furthermore, comparing the calculated Z- value ranges from  $8.858 < 9.232$  against the critical Z- value of .000 (2-tailed test at 95percent level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that Hire purchase legal provisions had significant positive relationship with consumer protection in hire purchase transactions in Rivers State

**Test of Hypotheses Two: Regulatory framework of hire purchase law has relationship with dispute resolution efficiency in hire purchase transactions in Rivers State**

**One-Sample Kolmogorov-Smirnov Test**

|                                   |          | The regulatory framework of hire purchase law improves dispute resolution efficiency in hire purchase transactions in Rivers State. | Regulatory framework provides clear legal procedures for handling conflicts between buyers and sellers during hire purchase agreements. | The framework helps to reduce delays and misunderstandings by defining the rights and obligations of both parties. | Effective legal regulations encourage fair settlement of disputes and promote trust in hire purchase transactions. | However, inadequate enforcement and lengthy legal processes may affect the efficiency of dispute resolution in Rivers State. |
|-----------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| N                                 |          | 257                                                                                                                                 | 257                                                                                                                                     | 257                                                                                                                | 257                                                                                                                | 257                                                                                                                          |
| Uniform Parameters <sup>a,b</sup> | Minimum  | 1                                                                                                                                   | 1                                                                                                                                       | 1                                                                                                                  | 1                                                                                                                  | 1                                                                                                                            |
|                                   | Maximum  | 5                                                                                                                                   | 5                                                                                                                                       | 5                                                                                                                  | 5                                                                                                                  | 5                                                                                                                            |
| Most Extreme Differences          | Absolute | .595                                                                                                                                | .564                                                                                                                                    | .580                                                                                                               | .545                                                                                                               | .560                                                                                                                         |
|                                   | Positive | .027                                                                                                                                | .039                                                                                                                                    | .054                                                                                                               | .070                                                                                                               | .035                                                                                                                         |
|                                   | Negative | -.595                                                                                                                               | -.564                                                                                                                                   | -.580                                                                                                              | -.545                                                                                                              | -.560                                                                                                                        |
| Kolmogorov-Smirnov Z              |          | 9.544                                                                                                                               | 9.045                                                                                                                                   | 9.294                                                                                                              | 8.733                                                                                                              | 8.982                                                                                                                        |
| Asymp. Sig. (2-tailed)            |          | .000                                                                                                                                | .000                                                                                                                                    | .000                                                                                                               | .000                                                                                                               | .000                                                                                                                         |

a. Test distribution is Uniform.

b. Calculated from data.

**Decision Rule:**

Since the calculated z-value (8.666) > critical z-value (.000) at the 5% significance level, we reject the null hypothesis ( $H_{01}$ ).

**Decision:**

Furthermore, comparing the calculated Z- value ranges from  $8.733 < 9.544$  against the critical Z- value of .000 (2-tailed test at 95percent level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that Regulatory framework of hire purchase law had significant positive relationship with dispute resolution efficiency in hire purchase transactions in Rivers State

**Discussion of Findings**

**Effect of hire purchase legal provisions on consumer protection**

From the result of hypotheses One, the calculated Z- value ranges from  $8.858 < 9.232$  against the critical Z- value of .000 which implies that Hire purchase legal provisions had significant positive relationship with consumer protection in hire purchase transactions in Rivers State . In support of the result in the literature, Enyia (2018) assessed the impact of the Hire Purchase Act on consumer credit transactions in Nigeria. The findings revealed that the Hire Purchase Act significantly improved consumer access to credit facilities and protected buyers from exploitative commercial practices. The study further found that legal safeguards relating to installment payments and

repossession enhanced consumer confidence in commercial transactions. Ugwuanyi (2024) examined the concept of hire purchase in Nigerian commercial law with emphasis on consumer rights and obligations. The findings showed that hire purchase legal provisions promote consumer access to goods while protecting hirers from unfair contractual practices.

#### **Effect of regulatory framework of hire purchase law on dispute resolution efficiency**

From the result of the hypotheses two, the calculated Z- value ranges from  $8.733 < 9.544$  against the critical Z- value of .000 which implies that Regulatory framework of hire purchase law had significant positive relationship with dispute resolution efficiency in hire purchase transactions in Rivers State. In support of the result in the literature, Mohammed-Yusuf and Abiola (2024) examined the legality and regulatory framework of hire purchase transactions under common and Islamic law perspectives. Findings revealed that clear legal regulations improve commercial certainty and reduce contractual disputes in hire purchase transactions. The study further found that legal ambiguities and inconsistent enforcement negatively affect dispute resolution efficiency. Nwankwo and Nwankwo (2025) examined the effectiveness of the regulatory framework governing dispute resolution in hire purchase transactions in Nigeria. However, the study found that judicial delays and procedural complexities reduce dispute resolution efficiency.

#### **Summary of Findings, Conclusion, recommendation and Contribution to Knowledge**

##### **Summary of Findings**

- i. Hire purchase legal provisions had significant positive relationship with consumer protection in hire purchase transactions in Rivers State  $Z(9.232, P. < .05)$ . This indicates that effective legal provisions help to safeguard the rights of consumers, prevent unfair practices, regulate repossession procedures, and ensure that parties involved in hire purchase agreements comply with contractual obligations
- ii. Regulatory framework of hire purchase law had significant positive relationship with dispute resolution efficiency in hire purchase transactions in Rivers State  $Z(9.544, P. < .05)$ . This indicates that a well-structured regulatory framework promotes faster, fairer, and more effective resolution of disputes arising from hire purchase agreements, thereby reducing conflicts and improving commercial confidence.

##### **Conclusion**

The study concluded that Hire purchase legal provisions and Regulatory framework of hire purchase law had significant positive relationship with consumer protection and dispute resolution efficiency in hire purchase transactions in Rivers State. Hire Purchase Law plays a vital role in regulating commercial transactions in Rivers State by providing legal protection for both owners and hirers involved in hire purchase agreements. The study established that the legal provisions governing hire purchase transactions promote fairness, contractual accountability, and consumer protection while also enhancing business confidence and commercial activities within the State. The regulatory framework has contributed to reducing disputes arising from ownership, payment obligations, repossession, and breach of contract. The study further revealed that effective implementation and enforcement

of hire purchase laws improve dispute resolution efficiency and encourage trust among parties engaged in commercial transactions. However, challenges such as inadequate public awareness of legal rights, weak enforcement mechanisms, and occasional abuse of repossession procedures continue to affect the smooth operation of hire purchase transactions in Rivers State.

**Recommendationss**

- i. Government and regulatory agencies should strengthen the enforcement of hire purchase legal provisions and create more public awareness to enable consumers understand their rights and obligations in hire purchase transactions.
- ii. Relevant authorities should improve and modernize the regulatory framework guiding hire purchase transactions through regular review of laws, establishment of accessible dispute resolution mechanisms, and strict monitoring of compliance by business operators.

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