

## **The complaint**

Mrs R complains that Bank of Scotland plc has enforced a personal guarantee she signed, and so is pursuing her for a debt.

## **What happened**

The background to this case is well-known to both parties, so I won't repeat it in detail here and will just set out a brief summary of what has happened.

Mrs R's husband was the director of a limited company, which I'll refer to as A. And in 2012, Mrs R and her husband signed a joint personal guarantee, in which they guaranteed to pay any debts owed by A to Bank of Scotland.

Following a cheque that had been paid into A's account being disputed, Bank of Scotland took the funds from the cheque back out of A's account and demanded repayment of the resulting debt. Bank of Scotland pursued A for the debt, including through court action, before ultimately pursuing Mrs R and her husband for the debt by enforcing the personal guarantee.

Mrs R complained that Bank of Scotland had acted unreasonably in enforcing the personal guarantee. Bank of Scotland investigated her complaint, but said she had guaranteed any debt A owed it, so it was entitled to pursue her. Mrs R wasn't satisfied with Bank of Scotland's response, so referred her complaint to our service.

One of our investigators looked at her complaint. They didn't think Bank of Scotland had acted unreasonably in enforcing the personal guarantee against her, so didn't uphold her complaint. Mrs R disagreed with our investigator, so the complaint has been passed to me.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I don't think Bank of Scotland has acted unreasonably in enforcing the personal guarantee. I'll explain why below.

Bank of Scotland has sent us a copy of the personal guarantee Mrs R and her husband signed. It says that Mrs R and her husband jointly and severally guarantee to pay any money and liabilities owed by A to Bank of Scotland. And it was signed by Mrs R in September 2012.

It's not in dispute that Mrs R signed the guarantee. And she's not made any argument or suggestion that anything about the circumstances in which the guarantee was signed should make it invalid, or that the guarantee has been mis-interpreted in any way.

Bank of Scotland has also sent us copies of a court order, which shows that it was found to be owed a debt by A. And Bank of Scotland has said the debt it is pursuing Mrs R for is the

debt from that court order. So it appears that the debt Bank of Scotland has enforced the personal guarantee in relation to, is a debt owed by A.

I therefore think Bank of Scotland has enforced the personal guarantee in line with the agreed terms of the guarantee itself. And I haven't seen any other reason why the guarantee can't be enforced. So I think Bank of Scotland has acted reasonably in enforcing the personal guarantee against Mrs R.

Mrs R has raised a number of arguments relating to the amount of the debt owed by A. But the amount of the debt owed by A to Bank of Scotland is a matter to be dealt with between A and Bank of Scotland. In this complaint, I can only consider whether Bank of Scotland acted reasonably in enforcing the personal guarantee against Mrs R and, for the reasons I've explained above, I think it did.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 30 November 2022.

Alan Millward  
**Ombudsman**