

## **The complaint**

Mr C complains that HSBC UK Bank Plc is wrongly holding him liable for the debts of a limited company.

## **What happened**

In 2020, Mr C was the director of a limited company that I will call S. All parties accept that S borrowed money from HSBC. S subsequently experienced financial difficulties and entered liquidation. I understand that S is not going to be able to pay all of its creditors in full.

The dispute between Mr C and HSBC is about the extent of Mr C's liability (if any) for S's debt.

HSBC says that in February 2020, Mr C gave a personal guarantee for S's debt (subject to a limited of £30,000). The bank says that document is properly signed and witnessed, and that it is binding on Mr C.

Mr C says that he did not sign a guarantee for S's borrowing, either in February 2020 or at any other time. His position is that the whole point of trading through a limited company was to allow him to avoid any personal liability for his business' debt. He also said that his personal circumstances meant he would not have been able to sign anything on the date HSBC says he signed the personal guarantee. Finally, he raised several concerns about the document itself, and suggested that the signature on the document might have been copied from the one on his passport.

One of our investigators looked at Mr C's complaint, but did not uphold it. On balance, our investigator thought it was likely that Mr C did sign the personal guarantee. He therefore concluded that HSBC had made no error in chasing Mr C for S's debt. He also said that HSBC was entitled to instruct a third party to collect the debt on its behalf.

Mr C did not accept our investigator's conclusions, and so the matter was referred 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.

I am sorry to further disappoint Mr C, but I have reached the same conclusions as our investigator, for broadly the same reasons. I give further explanation below.

I know that Mr C would like me to tell HSBC (and its agents) to stop pursuing him for S's debt. But that's not something I am willing to do. In my view:

- If Mr C did give a personal guarantee for S's debt in February 2020, as I think he did, then there is no reason why HSBC should not pursue him for that debt.
- If Mr C did not give a personal guarantee for S's debt in February 2020, then I would

not have the legal power to look at this complaint at all.

In either case, I cannot make a finding as to whether the personal guarantee document is legally binding – only a court can do that. My role here is to decide whether HSBC acted fairly and reasonably when it pursued Mr C for S's debt. Based on the available evidence, I am satisfied that it did.

I was sorry to hear about what happened to Mr C and his family in early 2020. But having considered the evidence provided by both sides, I think it is more likely than not that Mr C did give a personal guarantee for S's borrowing.

I acknowledge that Mr C does not recall signing the documentation, and that he does not believe that he ever gave a personal guarantee for S's debt. But in light of the evidence HSBC has provided, which includes documents supporting HSBC's claim that Mr C met HSBC's staff to discuss the lending, my view is that it is likely Mr C did give HSBC a personal guarantee for S's debt.

I also accept HSBC's evidence that it would not have lent to S in the way it did if Mr C had not given his personal guarantee. I think it is clear that Mr C did want HSBC to lend to S, and that he knew S had borrowed.

I have noted Mr C's comment that even if he had given a personal guarantee, the loan it was attached to has since been repaid and so the personal guarantee is no longer valid. But I have also noted that the personal guarantee itself said that it related to:

“all monies and liabilities whatever, whenever and however incurred, whether with or without [Mr C's] knowledge or consent, and whether now or in the future due, or becoming due, from [S] to the Bank.”

Personal guarantees of that nature are sometimes referred to as “all monies guarantees”, and they do not expire when a specific debt has been repaid. I can't see anything in the documentation in this case to suggest that Mr C was ever told that the February 2020 personal guarantee would expire.

Overall, I don't see anything unfair in HSBC's decision to pursue Mr C for S's debt, either directly or through a third party.

In any event, even if I am wrong to conclude that Mr C gave a personal guarantee to HSBC in February 2020, I still wouldn't be able to order HSBC to stop pursuing him for that debt. If Mr C did not give a personal guarantee, then he would not be a “guarantor” as that term is defined in our rules – and that means he would not be an eligible complainant. I can only consider complaints that are brought to us by or on behalf of eligible complainants.

If Mr C is now experiencing financial difficulties as a result of the personal guarantee, he may wish to consider approaching a charity like Business Debtline (<https://businessdebtline.org/>) for free independent advice.

### **My final decision**

My final decision is that I do not uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 October 2025.

Laura Colman  
**Ombudsman**