

The complaint

Mr G is unhappy with Barclays Bank UK PLC. Mr G had a business account with an overdraft facility. Barclays have notified Mr G that he is the guarantor for that overdraft. But Mr G doesn't agree and said he never signed anything.

What happened

Mr G doesn't remember signing or agreeing to be a personal guarantor for his business account overdraft facility. He thinks it is unfair he is being chased for the debt. He would like Barclays to stop chasing him.

Mr G said the copy of the personal guarantee documents don't have his actual signature on them. So, he said he shouldn't have to repay the business overdraft.

Mr G said if he knew there would be a personal guarantee he would never have applied for it. He said the money is still owed to Barclays because it closed down the bank account and the business doesn't now have a bank account it could use for the monies to be paid back.

Mr G said the business had ceased trading and was being struck off due to his and his wife's ill health.

Mr G complained to Barclays. It said Mr G digitally signed for the overdraft in January 2020 and he was given several warnings about the guarantee within the application process.

As agreement couldn't be reached Mr G brought his complaint to this service.

Our investigator didn't uphold the complaint. She said getting an e signature was an established business practice and not having a written signature didn't mean the overdraft documents were invalid. Our investigator said Barclays had records showing exactly when Mr G accepted the personal guarantee for the overdraft facility. She confirmed this was linked to a unique customer number that applied only to Mr G. Our investigator noted the information was sent to Mr G by post and electronically. She said there was no evidence Barclays had acted unfairly.

Mr G didn't accept this and asked for his complaint to be passed to an ombudsman for a final decision.

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.

Mr G has recently said the business already had an overdraft and nothing further was signed for. He said he wouldn't have taken a personal guarantee out for the company for a further overdraft.

Barclays state Mr G consented to the guarantee with an e signature on 27 January 2020 at 14:35. It said the application and the letter sent out advised Mr G he would be legally bound by the terms. Barclays sent Mr G a copy of the Facility letter it sent him on that day. It confirmed there are several warnings for the guarantor to read prior to agreeing to the lending. It said no errors were made by the bank and it can enforce the guarantee.

I noted within the details Mr G is named and is referred to as “*Guarantor.*” The document also refers to “*Guaranteed Obligations.*” These obligations state, “*all money and liabilities now or in the future due, owing or incurred to the Bank by the Borrower under or in connection with this Facility in whatsoever manner up to the amount of £20,750.00 together with all interest accruing on such money and liabilities and all costs, charges and expenses incurred by the Bank in respect of such money and liabilities.*”

Under this the document talks about guarantee and indemnity and underneath is the e signature from Mr G as guarantor.

Barclays confirmed the Facility letter was sent both online and by post. And Barclays again pointed out that the guarantor should only agree to this if they want to be legally bound. The letter does explain the conditions and recommends getting legal advice. It also offers contact with the bank if the person considering the guarantee wishes to discuss it. Barclays said if Mr G had any concerns he should not have proceeded.

Barclays pointed out the facility had been used since and so in line with the conditions the bank was now claiming on the personal guarantee. Barclays said it did sympathise with Mr G but said it hadn't acted incorrectly or unfairly.

I accept what Barclays said. The details on the system very clearly show when Mr G gave the personal guarantee and show the connection with the business overdraft facility. I think the evidence says Barclays acted fairly and reasonably throughout this transaction. Mr G wanted the business to have the facility, signed up for it and went ahead. Barclays details show what Mr G was agreeing to was clearly pointed out.

Any doubt about whether or not this was Mr G signing up for the guarantee are further diminished by the application of the unique customer number that Barclays has produced to show online activity was carried out linked to this unique number. Also, the overdraft facility was then used by the business.

Mr G said he hadn't physically signed anything. But he also pointed out this was during covid lockdowns and so I accept there was a lot of business done without handwritten signatures during this period. I don't think the lack of a wet signature in any way impacts on the validity of the agreement and Barclays ability to enforce it.

I think Barclays has acted fairly and reasonably throughout.

My final decision

I don't uphold this complaint.

I make no award against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 April 2025.

John Quinlan

Ombudsman