

The complaint

Mr R complains about the actions of New Wave Capital Limited (trading as Capital on Tap) who are pursuing him for a debt which is owed by his company.

What happened

Mr R told us:

- His limited company which I'll call 'C' took out a credit card facility with New Wave in May 2024 for £20,000 via an online application.
- C is now insolvent. and New Wave had told him that he needed to repay C's outstanding debt as he'd given a personal guarantee for the company's borrowing. However, he hadn't signed a personal guarantee that he was aware of. And if he had done so, it hadn't been clear when he'd signed the agreement, that was what he was agreeing to.
- Mr R wanted New Wave to assign the debt to C's insolvency practitioner and remove him completely and stop chasing him for the outstanding debt.

New Wave told us:

- To complete the application for C's credit card, Mr R was prompted to sign in to its online portal and create an account. In doing so, he would have had to review and electronically sign the credit agreement and personal guarantee.
- The personal guarantee was clear that if C didn't repay any monies due, that Mr R would be liable for this under the personal guarantee. Mr R had signed the agreement to say that he understood what he'd agreed to. He hadn't contacted it to say that he didn't understand what he was agreeing to.
- It was satisfied that the personal guarantee and Mr R's obligations within it were clear, so it was fair for it to pursue him for the outstanding balance of which he was now liable because C hadn't paid what was due.

Our investigator didn't recommend the complaint be upheld. He thought the personal guarantee had been clearly presented to Mr R before he'd signed the agreement. He said Mr R had accepted the personal guarantee by ticking a box which was sufficient for New Wave to proceed. He also said the agreement had recommended Mr R seek independent legal advice if he was unsure of any of the terms, and noted that the lending wouldn't have been provided to C without a personal guarantee from Mr R. So, he didn't think New Wave had behaved unreasonably.

Mr R didn't agree and asked for an ombudsman to review his complaint. He said that New Wave hadn't made the personal guarantee clear within all the documents he'd been provided, and if it had been explained to him, he wouldn't have gone ahead with the borrowing.

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'm sorry to disappoint Mr R but there isn't much more that I can say differently to what our investigator has already said.

Mr R says that New Wave behaved unreasonably because the personal guarantee information was inserted in a long and wordy document, and that the pressure of needing finance due to demands on a business made the process more stressful. But whilst I don't dispute that applying for borrowing for C may have been stressful for Mr R, I don't think that New Wave behaved unreasonably with regards to the agreement and personal guarantee documents.

I say that because whilst Mr R may not remember signing the document electronically as this was completed via a 'tick box' to say that he accepted the terms of the personal guarantee, I've seen there was a separate personal guarantee document aside from the revolving credit Agreement. The personal guarantee document was also separated from the credit agreement by the interest rate and tariff of charges document, so I'm not persuaded this was hidden in the way Mr R implied. I'm satisfied that the Personal Guarantee document was clearly headed and gave a full explanation of the obligations which the person agreeing to the document would be bound by. The personal guarantee agreement also recommended Mr R seek legal advice before agreeing to the guarantee if he were unsure of what this meant. However, I haven't seen any evidence that Mr R made New Wave aware that he was unsure of what he was signing. So, I think it was reasonable for New Wave to rely on the agreement it received electronically from Mr R saying that he'd read, understood, and accepted those terms

Mr R told us that New Wave should have done more to support him with regards to the personal guarantee and explained the implications if C failed. But I don't agree. I say that because it would have been inappropriate for New Wave to provide Mr R with any assistance regarding the personal guarantee, because the security he was providing was for New Wave's benefit if the situation occurred that C was unable to repay the outstanding debt. The reason that the personal guarantee documents say that any advice needs to be provided independently is so that any third-party being used has no links to New Wave, and there can be no undue influence on the advice provided to the guarantor giving the personal guarantee. Therefore, New Wave was never going to be able in this situation to give Mr R advice on what he should or shouldn't sign on the guarantee documents.

I also note that Mr R says that if New Wave had given him financial advice, there is no way he would have taken out this finance. However, Mr R told us that he applied for C's credit card via an online application himself, and I haven't seen any evidence that the facility was recommended to him. Generally speaking, financial advice would only be provided when a business is making a recommendation that a customer should have a product or service because it meets a specific need. Here, New Wave didn't recommend C take out the credit card, so it was simply required to provide sufficient information for C to make an informed choice about whether this was a suitable product. So, I can't fairly say New Wave behaved unreasonably here.

I'm sorry to disappoint Mr R as I recognise that he has found himself in a difficult position and I appreciate he feels strongly about the complaint. But based on what I've seen, I don't think New Wave has treated Mr R unfairly in his capacity as a guarantor.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 24 December 2025.

Jenny Lomax
Ombudsman