

## **The complaint**

A business partnership, which I'll refer to as 'A', is unhappy with how Handelsbanken plc have administered its loans.

A's complaint is brought to this service by one of the partners, whom I'll refer to as 'Mr K'.

## **What happened**

In November 2024, Mr K raised a complaint on A's behalf with Handelsbanken because he was unhappy that there was a 1% prepayment fee for early redemption of some of the Partnership's loans. Mr K also complained that incentives previously given on earlier loans hadn't been offered on later loans and was unhappy with the rate of interest applied by Handelsbanken to a specific loan.

Handelsbanken responded to Mr K and explained that the incentives he was referred to hadn't been paid by Handelsbanken but by the bank from whom A had switched its loans to Handelsbanken from. Handelsbanken also explained that it didn't feel it was acting unfairly regarding the prepayment fees and the interest rate applied, which were in line with the terms of the loans. Mr K wasn't satisfied with Handelsbanken's response, so he referred A's complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Handelsbanken had acted unfairly towards the Partnership as Mr K contended. Mr K remained dissatisfied, so the matter was escalated 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.

Having done so, I note that Mr K refers in his submissions to this service to 'his' loan, the implication being that each partner took separate loans on an individual basis from Handelsbanken. After reviewing the loan documents and seeking clarification from Handelsbanken, I can confirm that this wasn't the case. Instead, while Handelsbanken have provided several, separate loans, these have all been provided to the Partnership as a whole, and not to individual partners. This is evidenced by schedule 8 of the loan document which lists all the partners as the borrowers, and not just Mr K.

As such, if any assignment of individual loans to individual partners has taken place, that would be an informal arrangement between the partners themselves. But the true nature of the loans is that each partner is jointly and severally liable for each loan. Mr K may have made decisions about the loan he refers to as 'his', but it isn't his – it's a loan to the Partnership for which each partner is liable. Similarly, Mr K and all other partners are jointly and severally liable for all of the other loans held by the Partnership.

Mr K had explained that the end dates for the loans are all offset, meaning that when some loans end, others will still have some term remaining. Mr K has also explained that the

Partnership is seeking to transfer its banking and finances to another bank and intend to do so when a tranche of loans with the same end date expire. However, because 'his' loan, and some other loans, will still have some term remaining, Handelsbanken have indicated that they will charge an early exit fee, which Mr K feels he will have to pay himself.

But again, if there is an agreement between the partners that specific loans are paid by specific partners, that is an informal agreement between the partners. Regarding the loans themselves, because they are all issued to the Partnership, any early exit fees are repayable jointly and severally by all partners. As such, if Mr K is unhappy that the other partners are expecting him to pay the exit fee on a specific loan, that would be a matter for Mr K to resolve with the partners directly.

Regarding the loan fees themselves, these are clearly stipulated in the terms and conditions of the loans. There aren't any fees that aren't common features of loan agreements, and so by accepting the loans I'm satisfied that the Partnership accepted the fees. As such, I don't feel that Handelsbanken are acting unfairly in this regard.

Turning to the interest on the loan that Mr K has referred to as 'his', Mr K is unhappy that the loan is on a variable rate that is linked to Handelsbanken's base rate, rather than the Bank of England ("BoE") base rate. He is also unhappy that the loan includes fees usually associated with fixed rate loans.

Upon review, I'm satisfied that the Partnership were given the options of a variable rate loan that was linked to the BoE base rate, or a loan with a fixed rate option, and that the Partnership took the fixed rate option loan. However, when the loan was drawn down, the fixed rate option was not chosen, which meant that the loan reverted to the variable rate, which for that loan was linked to Handelsbanken's base rate and not to the BoE base rate. I'm also satisfied that this was clearly explained in the loan documents, and because of this I feel that the fact that the Partnership has a variable rate loan tied to the Handelsbanken base rate is because of choices made by the partners themselves.

Finally, Handelsbanken have explained to my satisfaction that they never provided any incentives to the Partnership, but that the Partnership availed of switch incentives offered by their previous bank. Accordingly, I don't consider it unfair that Handelsbanken didn't offer incentives on newer loans, because they didn't offer incentives on any of the Partnership's loans.

All of which means that I don't feel Handelsbanken have acted unfairly towards the Partnership as Mr K feels is the case here, and it follows from this that I won't be upholding this complaint or instructing Handelsbanken to take any form of action. I also reiterate that if Mr K is unhappy at any personal loan assignment he feels he must adhere to, that such assignments are informal and agreed between the partners themselves and don't form part of the terms of the loans. I hope that Mr K will understand, given all that I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 12 February 2026.

Paul Cooper  
**Ombudsman**