

The complaint

Mr J and Miss S complain that LDF Finance No. 3 Limited (trading as White Oak) is unfairly holding them personally responsible for a loan taken out by their limited company, which I will refer to as J.

(I am aware that Mr J, Miss S and J have made a number of other complaints, but this decision solely relates to the above complaint against White Oak.)

What happened

White Oak told us that in October 2024, Mr J and Miss S's limited company J took out a loan through a broker. It also told us that Mr J and Miss S both gave it personal guarantees for J's debt.

J subsequently experienced financial difficulties and did not make all of its payments to White Oak when they fell due.

Mr J and Miss S later said that White Oak had made a significant number of errors in relation to their personal guarantees. Amongst other things, they requested that they be released from the personal guarantees, with all fees and charges removed.

Mr J and Miss S could not reach agreement with White Oak, and so they referred the matter to the Financial Ombudsman Service. One of our investigators looked at their complaint, but he did not uphold it. He thought White Oak had treated them fairly. They did not agree, so the complaint was passed to me 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, whilst I am sorry to further disappoint Mr J and Miss S I am not going to uphold this complaint. Like our investigator, I am satisfied that White Oak has acted fairly in this matter. But I will make some further comments below.

Miss S has provided a very detailed explanation as to why she believes White Oak has not treated her and Mr J as it should have done. I confirm that I have read everything that she has provided in full, but I have not given the same level of detail in this final decision. I intend no discourtesy by that; it simply reflects the informal nature of the Financial Ombudsman Service.

I acknowledge that Mr J and Miss S say the broker misled them about the effect of the personal guarantee. I make no findings about that allegation, other than to say that White Oak was not responsible for any explanations that may have been given by the broker. Like our investigator, I am satisfied that the documentation White Oak provided made clear that White Oak intended to hold Mr J and Miss S responsible for J's debts if J did not or could not pay them. I note in particular the first section of the guarantee, which says:

“Guarantor guarantees the due payment of all moneys and liabilities whether certain or contingent which are from time to time due, owing or payable by the Company to any member of the Funder Group.”

There is nothing in the documentation provided by White Oak to suggest that White Oak would only pursue Mr J and Miss S under their personal guarantees if J were to “close down”.

As an ombudsman, I cannot make a finding as to whether a personal guarantee document is legally enforceable – that is a matter for the courts. That means I can’t, for example, consider whether the lack of a witness makes the document unenforceable. What I can do is consider whether White Oak has treated Mr J and Miss S fairly and reasonably.

I have noted Miss S’s concerns about the documentation, but she has not said anything that persuades me that it is unfair for White Oak to rely on the documents that she and Mr J signed. I think it is clear that Miss S and Mr J promised White Oak that they would pay J’s debts if J did not do so, and I see no reason why White Oak should not rely on that promise.

Overall, I see nothing unfair about White Oak’s decision to pursue Mr J and Miss S for J’s debt.

My final decision

My final decision is that I do not uphold this complaint about LDF Finance No. 3 Limited (trading as White Oak).

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr J and Miss S to accept or reject my decision before 9 April 2026.

Laura Colman
Ombudsman