

## **The complaint**

Mr N complains that The Enterprise Fund Limited “The Enterprise Fund” didn’t accept a bill of exchange as a means of paying the balance on his loan.

## **What happened**

Aside from setting out Mr N’s complaint, I won’t repeat the facts of the case here, as those aren’t in dispute. Instead, I’ll focus on the reasons for my decision.

Mr N says he issued a complete payment of his loan via a bill of exchange. However, he then received notification from The Enterprise Fund that it wouldn’t accept the bill of exchange as payment, as well as sending a notice of arrears on his account. Mr N says The Enterprise Fund shouldn’t have continued to collect the debt whilst in dispute and whilst there is an ongoing complaint about the matter. Mr N made several other points around The Enterprise Fund’s “administration” of the matter including its “non-acceptance” of the bill of exchange.

Because the parties couldn’t agree, the matter has been passed to me to decide.

## **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 appreciate Mr N will be disappointed, I’m not upholding his complaint. And I’ll explain why.

Before I do so, Mr N makes several points which appear to be based on legal technicalities or some interpretation of certain Acts and laws, which he says support his position. We’re here to provide an informal dispute resolution service, and while I’ll take relevant law, best industry practice, regulation and rules into account; it isn’t my role, nor that of our service, to resolve legal queries of that nature. With this in mind, whilst Mr N has raised several points, I’ve only focused on what I consider to be the crux of the complaint.

I know Mr N sees this differently, but a bill of exchange is essentially a ‘promissory note’. I’ve noted his reasons for why he thinks The Enterprise Fund should have accepted his promissory note. But I can’t see anything to support his view, and there’s nothing which makes me think The Enterprise Fund has dealt with this matter unfairly or unreasonably.

As our Investigator explained, the promissory note Mr N tried to use to pay his account, isn’t legal tender. It isn’t money at all, instead, it’s just a promise to pay a sum at a future date. The reality is that the note isn’t a form of payment and The Enterprise Fund is under no obligation to accept it as such.

The Enterprise Fund also explains its terms outline the accepted methods of repayment – which don’t include a bill of exchange. Ultimately, it’s The Enterprise Fund’s commercial decision which methods of payment it’s willing to accept.

It follows then that The Enterprise Fund doesn't have to accept the bill of exchange over any other binding agreement that it may already hold with Mr N – like the terms and conditions he agreed to when he took out the loan.

I have considered Mr N's points on why he thinks his promissory note should be binding on The Enterprise Fund – in light of the Bills of Exchange Act 1882 (although, at times, Mr N refers to the 1909 legislation which doesn't apply to UK law) and other legislation – even when the lender hasn't accepted it. But I still don't think The Enterprise Fund is under any obligation to accept the note, nor do anything more than it's already done here, for the same reasons I've outlined above.

The Enterprise Fund recorded late payment markers on Mr N's credit file and continued with recovery action of the debt. It says it has recorded a default on Mr N's credit file after four or more months of missed payments. This is in line with the Information Commissioner's Office ("ICO") guidance. The Enterprise Fund communicated in a clear and timely manner that it didn't accept the promissory note and that Mr N needed to make payment towards his account in some other way. And gave Mr N ample opportunity to bring the account up to date, offering to remove the adverse information from his credit file, if he did so.

Whilst Mr N feels The Enterprise Fund shouldn't have continued recovering the debt given he was disputing the debt owed – and because he'd made a complaint about that matter, I don't agree. He cites CONC 7.14.1R – which sets out that debt recovery must be suspended where the customer disputes the debt on valid grounds – or what may be valid grounds. Even if I accept Mr N was disputing the debt owed on valid grounds (which I'm not necessarily persuaded he was, given he ought to have known what methods of payment were acceptable), I'm satisfied that The Enterprise Fund met its obligations in relation to CONC 7.14. By subsequently explaining it wasn't accepting the bill of exchange as payment, giving its reasons why and explaining the debt was still outstanding.

Relevant to this complaint, CONC 7.5.3 also says: *"A firm must not ignore or disregard a customer's claim that a debt has been settled or is disputed and must not continue to make demands for payment without providing clear justification and/or evidence as to why the customer's claim is not valid."* But for the reasons explained above, I'm satisfied The Enterprise Fund provided clear justification for why Mr N's claim that the debt had been settled, wasn't valid.

The Enterprise Fund was therefore entitled to continue with recovery of the debt, irrespective of whether Mr N continued to dispute it.

There is also no obligation on The Enterprise Fund to stop recovery of the debt, simply because there's an ongoing complaint. So, I don't think it acted unreasonably here either.

I know Mr N feels strongly about this matter, but I don't think The Enterprise Fund has done anything wrong here. So, I don't uphold his complaint.

### **My final decision**

My final decision is that, for the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 11 March 2026.

Sophie Kyprianou

**Ombudsman**