

The complaint

Mr L and Mrs L have said that their secured loan with Elderbridge Limited isn't enforceable as they say they weren't given a chance to review the loan terms and conditions before they signed the loan agreement. They want Elderbridge to give them a full refund, apologise, and remove the details of the loan from their credit files.

What happened

Mr L and Mrs L took out this secured loan in January 2008 with a lender I will refer to as F. They borrowed £40,000 (plus fees and PPI) over a 25-year term on a variable interest rate. The application was made through an independent mortgage broker.

In 2016 the loan was transferred from F to Elderbridge, and the loan then went into arrears in March 2017. In September 2020 Elderbridge stopped charging interest on the loan, so any payments made since then have been used to reduce the outstanding balance.

In 2017 Mr L and Mrs L referred a complaint to our service about the transfer and we considered that complaint against lender F. Our Investigator said under the terms of the loan agreement lender F was entitled to transfer the loan to Elderbridge.

In 2018 Mr L and Mrs L referred another complaint to our service about that transfer and we considered that complaint against Elderbridge. In our complaint form, Mr L and Mrs L said they wouldn't have taken out the loan if they'd known it could be sold to another company, and they said the loan was mis-sold because they weren't advised of that. They said they'd paid more than they'd originally borrowed, and they wanted the loan written off. An Ombudsman colleague considered that complaint and didn't uphold it. In his final decision he said the sale of loans from one company to another isn't unusual, and it was allowed for in the loan agreement. He also said that as Elderbridge didn't sell the loan he didn't believe he could fairly uphold a complaint against Elderbridge for mis-selling, it wouldn't be fair to write off the loan and there were still several years remaining on the loan term.

In 2020 Mr L and Mrs L referred a complaint to our service again against Elderbridge about the transfer from F to Elderbridge, and one of my Ombudsman colleagues said we wouldn't be considering the complaint as it was the same as the one we'd previously looked at in 2018, and Mr L and Mrs L hadn't provided any material new evidence that had subsequently become available.

Mr L and Mrs L raised this complaint with our service in 2025. They said they were disputing the whole loan and wanted a full refund on the basis of fraud as they didn't understand the loan agreement when they signed it. They said it wasn't discussed or explained, and they wouldn't have signed it if they'd known the loan could be transferred.

Whilst they had made other complaints over the years to Elderbridge, Mr L and Mrs L said they didn't want us to consider those other points, they just wanted us to look at their complaint that they say they weren't given a chance to review the loan terms and conditions before they signed the loan agreement and so they consider their signature to have been fraudulently obtained and they think the loan agreement is unenforceable.

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.

Like our Investigator, I'm not considering the other complaint points that Elderbridge dealt with in its final response letters. This is because Mr L and Mrs L have been clear that the only point they want us to consider is whether or not the loan agreement is enforceable due to Mr L and Mrs L saying the terms and conditions weren't shown to them or discussed. They say the broker deliberately withheld the terms and conditions and therefore obtained their signatures by deception.

I've had regard for all Mr L and Mrs L have said and sent us, alongside taking into account any relevant law, regulations, and good industry practice. The Financial Ombudsman Service is an informal alternative to the courts. It may be the courts would look at this matter differently, but my role is to concentrate on what I consider fair and reasonable. If Mr L and Mrs L feel their claim has merit, then they can test that in court if they wish. However, I would urge them to get specialist independent legal advice first.

Mr L and Mrs L have said that if it's correct that Elderbridge can't be held accountable, then that needs changing. But we're not the regulator, and I've no power under our terms of reference to change things in the way Mr L and Mrs L have requested. Instead, I have to consider this complaint by reference to what the current position is in terms of these issues. When I do that, I don't uphold this complaint. I'll explain why below.

Mr L and Mrs L haven't disputed that they requested the loan and signed the agreement. They've said that the front page all seemed fine however they've questioned who in their right mind would agree to a loan being sold to another company without discussion or renegotiation. They've said that information not being disclosed to them before they signed the loan agreement amounts to fraud and forgery.

Whilst Mr L and Mrs L have framed this complaint as fraud, the underlying argument is the same as the complaints Mr L and Mrs L referred to us in 2017, 2018 and 2020 in that they're unhappy their loan was sold by lender F to Elderbridge. The reframing of the same complaint using slightly different terms doesn't make it a new complaint, so we could have dismissed this again as we'd previously considered the same complaint and no material new evidence has subsequently become available that would change the outcome. But, like our Investigator, I feel the pragmatic way forward is to issue this decision on the merits of the complaint to try to draw a line under it so the parties can move forward.

The right to transfer the loan was set out in section 13 of the loan terms and conditions. That says *"You agree we may assign our rights under this Agreement and the Legal Charge to any person subject to such assignment not prejudicing your rights hereunder and references to us shall include our successors and assigns."*

Mr L and Mrs L signed the loan agreement to agree that they would be bound by the terms and conditions (albeit I understand they say they didn't get a chance to read them). I'm satisfied that under those terms and conditions lender F was entitled to transfer the loan to Elderbridge without needing to seek Mr L and Mrs L's permission and without requiring a new contract and documentation. Mr L and Mrs L borrowed the money and agreed to repay it in line with the front page of the loan agreement which Mr L and Mrs L have confirmed they saw and accepted.

The loan was transferred to Elderbridge in 2016 as part of a portfolio of loans that it had taken ownership of. And, as I've shown above, that was allowed under the contract Mr L and

Mrs L entered into with lender F. That is entirely normal in the industry and has no impact on the contract Mr L and Mrs L entered into; it is just it is now Elderbridge that they owe the money to rather than lender F. They still owe the money, just to a different lender. If the loan hadn't been transferred then Mr L and Mrs L would still owe the same amount, they'd just owe it to lender F instead.

Mr L and Mrs L have said they weren't given time to read the terms and conditions before signing the loan agreement, but that would be a complaint they'd need to make to the broker that arranged the loan for them. That wouldn't be a complaint for either lender F or Elderbridge. I understand the broker is no longer trading, but that doesn't mean responsibility then passes to lender F and/or Elderbridge instead, that simply isn't how it works.

This loan was introduced by an independent mortgage broker, so it wasn't lender F's responsibility to advise Mr L and Mrs L about the nature of the loan they'd applied for, and check they understood it and had read all the terms and conditions before signing to accept it.

The broker wasn't appointed by - or acting on behalf of - lender F. The mortgage broker was appointed by - and acting on behalf of - Mr L and Mrs L. There was no regulatory requirement for lender F to replicate the role of the mortgage broker. So, the fact lender F didn't check they had read and understood the terms and conditions, isn't something I can hold it liable for as it simply wasn't its responsibility to do so. And I can only hold Elderbridge liable for things I could have previously held lender F liable for.

It may be Mr L and Mrs L didn't have time to read the terms and conditions of the loan (to be clear, I'm not saying either way that was the case), but lender F had no way of knowing that. Lender F accepted this application in good faith and released the money that Mr L and Mrs L had asked to borrow. And, as I said, if the loan had remained with lender F (rather than being passed to Elderbridge) then Mr L and Mrs L would still owe the same amount of money, and we still wouldn't have been able to consider a complaint about anything the broker did or didn't do (such as not giving Mr L and Mrs L time to read the full contract). I simply don't have the power to hold Elderbridge (or lender F) liable for what the broker did or didn't do, however much Mr L and Mrs L may want me to.

Mr L and Mrs L doubt Elderbridge's entitlement to claim a debt from them. Elderbridge is equally firm that Mr L and Mrs L have an obligation to repay the money they borrowed in line with the loan agreement. If Mr L and Mrs L wish to dispute the entitlement of Elderbridge to claim a debt from them on the basis that the contract is technically unenforceable as a matter of law (due to Mr L and Mrs L saying their signatures were obtained fraudulently), they will need to do so through the courts. I have no power to make findings on whether a contract is legally enforceable. But I can decide whether it is fair and reasonable for Elderbridge to collect payments from Mr L and Mrs L and to expect them to make those payments.

It isn't in dispute that Mr L and Mrs L took out the loan secured against their property, and the transaction history shows this debt hasn't been repaid. The loan term wasn't due to end until 2033 (if all payments were made in full and on time, which they haven't been). Looking at the transaction history between March 2017 and November 2025, Mr L and Mrs L have only made payments totalling around £8,300 against payments due in that time of around £52,300.

Mr L and Mrs L haven't repaid the debt and therefore taking into account everything I've set out above, and my remit to decide cases on the basis of what is fair and reasonable, there are no grounds for me to say the debt shouldn't fairly be pursued by Elderbridge. I appreciate that Mr L and Mrs L feel differently, however, I don't have any power to decide

whether or not a loan contract is valid or not or whether any transfers have been undertaken in accordance with the law; only a court can do so.

I appreciate Mr L and Mrs L's beliefs are strongly held, and I am sorry to see that adhering to these has resulted in substantial secured loan arrears. It's not too late for Mr L and Mrs L to resolve the situation with Elderbridge. However, given that there are substantial arrears on the secured loan, if Mr L and Mrs L are unable or unwilling to reach a payment arrangement with Elderbridge to repay those arrears, Elderbridge may decide to issue possession proceedings.

If this should happen Mr L and Mrs L will then be free to raise in court all the points they've raised with us about why they consider this secured loan to be invalid and ask the court to declare it null and void. However, I don't know of any borrower who has succeeded in having their secured loan cancelled by a court on the basis of the theories Mr L and Mrs L have raised.

Putting all that together there are no grounds for me to say, on a fair and reasonable basis, that Mr L and Mrs L are no longer liable for the debt or that Elderbridge doesn't have the right to seek to recover it from Mr L and Mrs L. It follows that I don't order Elderbridge to refund any amount to Mr L and Mrs L, nor do I order it to apologise to them or amend their credit records.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 19 May 2026.

Julia Meadows

Ombudsman