

The complaint

Mr J and Miss S complain that Shire Leasing Plc 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 Shire Leasing Plc.)

What happened

Shire Leasing told us that in June 2024, Mr J and Miss S's limited company J took out a loan. It also told us that Mr J and Miss S both gave personal guarantees for J's debt.

Shire Leasing's position is that J did not make payments in line with the agreed terms, and so it now wishes to seek payment through the courts.

Miss S told us that she believes Shire Leasing's reliance on the personal guarantees is improper and unfair. Briefly, her reasons were:

- The personal guarantees were presented in a manner that was rushed, inconsistent and confusing.
- Shire Leasing did not explain the significance of the personal guarantees.
- Shire Leasing is now relying on the personal guarantees as the primary enforcement tool in court, despite knowing that assets are held within the company J rather than personally.
- The arrears only arose in the first place because of delays by Shire Leasing and a broker. She has consistently wanted to keep her complaint active and repay the loan on fair terms, but instead her credit file (and that of Mr J) has been damaged and personal proceedings have been brought against them.

One of our investigators looked at this complaint but did not uphold it. He didn't think Shire Leasing was acting unfairly in seeking repayment from Mr J and Miss S.

Mr J and Miss S did not accept our investigator's conclusions. They raised various concerns about the documentation, including concerns that an agreement number had been added to the personal guarantee after execution. Amongst other things, they also raised concerns about what they consider to be irregularities with the direct debit paperwork.

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 Shire Leasing 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 Shire Leasing 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 have no concerns about the way Shire Leasing presented the documents to Mr J and Miss S. I accept that Shire Leasing did not give them comprehensive advice about what the guarantees meant, but I would not expect it to do that – Shire Leasing was not in a position to give independent advice. However, I do think that Shire Leasing made clear that the purpose of the personal guarantees was to allow it to hold Mr J and Miss S liable if their company J did not meet its contractual obligations.

If Mr J and Miss S had wanted advice about what the guarantees meant, it was open to them to seek that advice. I note the guarantee documents themselves said “If you are an individual you should seek independent legal advice before entering into this Guarantee and Indemnity”. I don’t think it would be fair for me to criticise Shire Leasing if Mr J and Miss S chose not to seek independent advice.

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. What I can do is consider whether Shire Leasing 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 Shire Leasing to rely on the documents that she and Mr J signed. J has not made payments as they fell due, so I think it is fair for Shire Leasing to pursue Mr J and Miss S personally. Even if Shire Leasing has added numbers or references to the personal guarantee documentation after Mr J or Miss S signed it, I don’t see why that should prevent Shire Leasing from attempting to rely on the personal guarantee documentation in court. It will be for the court to decide what, if anything, Mr J and Miss S are required to pay.

I have also noted Miss S’s comments about Shire Leasing Plc’s compliance with the relevant pre-action protocol, but again I consider that is a matter for the court and not the Financial Ombudsman Service.

Overall, I see nothing unfair about Shire Leasing’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 against Shire Leasing Plc.

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