

## **The complaint**

A limited company, which I'll refer to as 'S' feels that LDF Operations Limited, trading as White Oak, haven't provided reasonable support to it in response to financial difficulties it encountered surrounding its Coronavirus Business Interruption Loan ("CBIL").

## **What happened**

To briefly summarise: In November 2020, S successfully applied to White Oak for a £180,000 CBIL and received the loan funds that same month. Under the terms of the CBIL, S's contractual obligation to begin making monthly loan payments began in December 2021.

S suffered financial difficulty and the CBIL fell into arrears in 2022. In November 2022, S reached out to White Oak to ask for support and was told that if it made a payment towards the loan that financial support would be provided. But, after S made the payment, White Oak didn't provide any support as promised. S wasn't happy about this and didn't feel that White Oak had provided reasonable financial support to it in general, so it raised a complaint.

White Oak responded to S and explained that it had requested several pieces of information from S regarding its finances that S had failed to provide. And White Oak confirmed that it didn't feel it had acted unfairly in how it had administered S's account as a result. S wasn't satisfied with White Oak's response, so it referred its complaint to this service.

One of our investigators looked at this complaint. But they didn't feel White Oak had acted unfairly in how it had managed the situation and so didn't uphold the complaint. S 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'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that S has provided several detailed submissions to this service regarding its complaint. I'd like to thank S for these submissions, and I hope it doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if S notes that I haven't addressed a specific point it's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both S and White Oak. Rather, it should be

taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

As per the terms of the CBIL, S was contractually obliged to make monthly payments towards the loan from December 2021 onwards. But S didn't make the required monthly payment in December 2021, meaning that the CBIL fell into arrears at the first opportunity.

This led White Oak to issue a Notice of Intention to Terminate on the CBIL on 18 January 2022. However, White Oak then held off from terminating the CBIL until S could clear the account arrears, which it did in April 2022.

The CBIL fell back into arrears a few months later, in August 2022. White Oak tried to contact S on several occasions about the arrears, but S didn't respond to White Oak for over two months, until 2 November 2022. At that time, S proposed to make one monthly payment towards the loan and to then clear the account arrears in instalments over the course of the next three months.

White Oak responded to S the following day, 3 November 2022, and explained that to consider S's request it required several items of information from S within 24 hours. These included three months of up-to-date bank statements for all S's business bank accounts and a 6-month cash-flow forecast.

S responded to White Oak's requirements on 8 November 2022, several days after the deadline given by White Oak, and explained that it would provide the requested information as soon as possible. But White Oak didn't receive any further correspondence from S. And, with the requested information still not received, and the promised payment from S not having been made, it issued a Termination Notice to S on 23 November 2022.

On 1 December 2022, S did make the monthly payment towards the CBIL it had offered to pay on 2 November 2022. Following this, White Oak reviewed S's request for financial support but rejected it because it was evident that S was still making payments to other creditors as well as regular large payments to company directors. Additionally, White Oak noted that S had made several large transfers to other company bank accounts held by S that White Oak hadn't been provided any account statements for.

White Oak again asked S to provide the previously requested information to enable them to come to an accurate understanding of S's financial position. But while S did promise, on 12 December 2022, to provide this information to White Oak within a week of that date, S again failed to act in accordance with the promises it made. And, with the financial information still having not been received by White Oak on 3 January 2023, it defaulted S's CBIL.

S complains that White Oak haven't provided appropriate financial support to it. But, given the timeline of events I've summarised above, I don't feel that this is the case. Rather, I feel that White Oak have provided several opportunities for S to provide the information I'm satisfied it reasonably required from S to consider S's arrears repayment proposals. And I also feel that S has consistently and repeatedly failed to respond to White Oak or to honour promises it made to White Oak, during the times that its CBIL has been in arrears.

Furthermore, as alluded to above, I'm satisfied that the information that White Oak requested from S before considering its arrears repayment proposals was reasonable. This is because I don't feel that White Oak should fairly be expected to allow S to not meet its contractual repayment obligations without fully understanding why S couldn't meet those obligations. And this is especially the case given the large director payments that S was making and the large amounts of money that S had transferred to bank accounts which it hadn't given White Oak any sight of.

S complains that White Oak promised to provide financial support to it if it made a payment in November 2022. But S didn't make a payment in November 2022 – it did so on 1 December 2022. This was after 3 November 2022, when White Oak explained to S the financial information that it reasonably required from it, as previously explained. And it was also after 8 November 2022, when S responded to White Oak about that requested financial information, but which it then subsequently failed to provide.

All of which means that I don't feel that White Oak have done anything wrong or acted unfairly here. And it follows from this that I won't be upholding this complaint or instructing White Oak to take any action.

I realise this won't be the outcome S was wanting. But I trust it 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 S to accept or reject my decision before 23 October 2023.

Paul Cooper  
**Ombudsman**