

Judgment Alert:

The Law Crest LLP Secures Landmark Debt Recovery Judgment for Polaris Bank Limited

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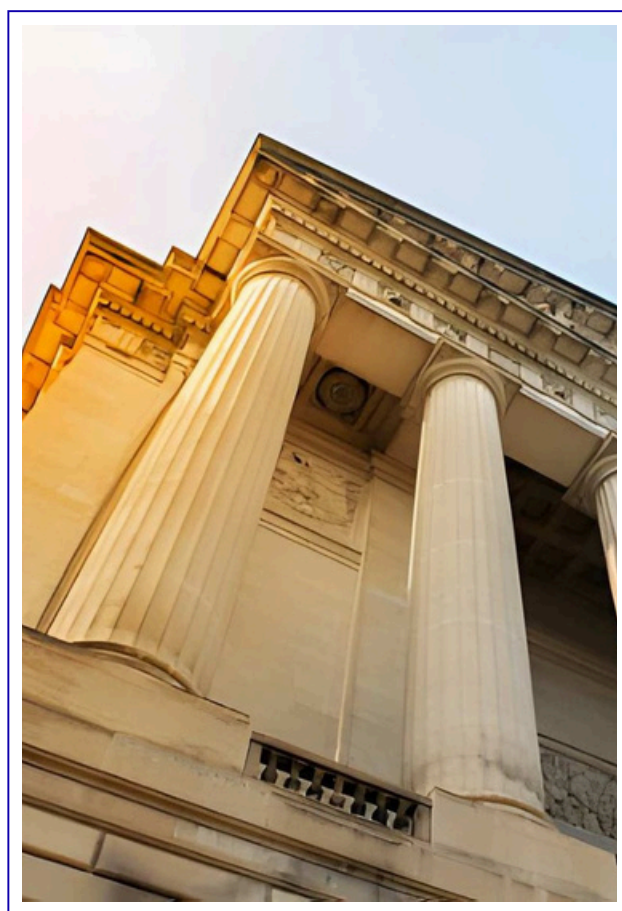


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Polaris Bank Limited ("The Claimant"), represented by The Law Crest LLP, has successfully secured a favourable judgment for the recovery of debt against a former employee ("The Defendant") of the Bank, further reaffirming the sanctity of contractual obligations and the enforceability of financial arrangements freely entered into by parties.

The action was commenced by the Claimant for the recovery of outstanding indebtedness arising from a loan facility advanced to the Defendant during the course of his employment with the Claimant. The Claimant's case before the Court was that the Defendant, having obtained and fully utilised the loan facility, remained under a binding obligation to liquidate the outstanding balance upon his voluntary resignation from the Claimant.





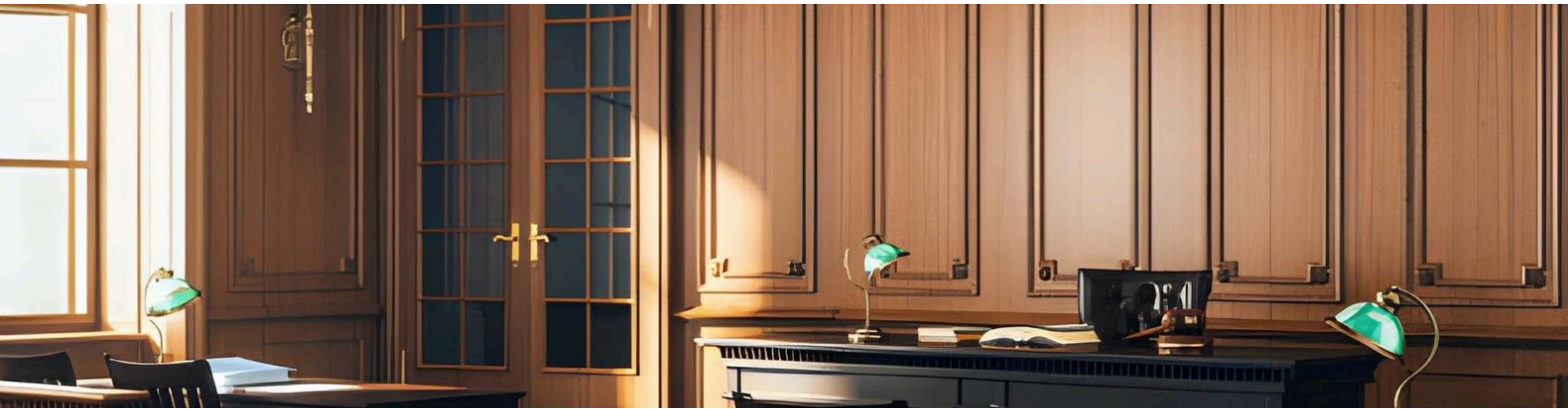
DEBT RECOVERY

Although the Defendant admitted his indebtedness to the Claimant, he contended that the Claimant had allegedly failed to pay his terminal entitlements and argued that the outstanding debt ought to be set-off against the said entitlements. In support of this contention, the Defendant relied on certain policy documents purportedly entitling him to the purported benefits. The Defendant also challenged the jurisdiction of the Court, contending that the loan arrangement was inseparable from his contract of employment and that the suit ought to have been properly commenced before the National Industrial Court.

In response, Counsel to the Claimant successfully argued that the loan and mortgage transaction constituted a distinct contractual relationship, independent of the Defendant's employment contract, and was therefore properly enforceable before the High Court.

In its well-reasoned judgment, the Court resolved the jurisdictional challenge in favour of the Claimant and reaffirmed the settled principle of law that a mortgage or loan agreement remains legally distinct and enforceable independent of an employment relationship. The Court consequently held that the High Court possessed the requisite jurisdiction to entertain the action.

On the substantive claims, the Court again found in favour of the Claimant, holding that the Defendant's admission of indebtedness, coupled with the compelling documentary evidence placed before the Court, unequivocally established the Claimant's entitlement to the reliefs sought. The Court further rejected the Defendant's reliance on the policy documents tendered in support of his alleged entitlement, holding that the documents were inapplicable, having been issued several years after the Defendant's resignation and, in any event, were neither approved nor implemented.



Consequently, the Court granted the Claimant's alternative relief and ordered the Defendant to pay the outstanding debt to the Claimant.

This judgment reinforces the enduring principle that parties are bound by the terms of contracts voluntarily entered into and that financial obligations cannot be avoided on the basis of speculative or unsubstantiated claims. The decision also reiterates the settled position of the law that loan and mortgage transactions retain their independent legal character notwithstanding the existence or termination of an employment relationship. Ultimately, the judgment underscores the judiciary's continued commitment to upholding contractual sanctity, commercial certainty, and accountability in financial transactions.

TLC's Team on this matter was led by one of our Partner's, [Okechukwu Umemuo](#), who was supported by a Senior Associate, [Onyinye Nholi](#) and an Associate [Daniel Bisi-Aretola](#).



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