IN THE CHIEF MAGISTRATE COURT OF RIVERS STATE, NIGERIA
IN THE RUMUODOMAYA MAGISTERIAL DISTRICT
HOLDEN AT RUMUODOMAYA

BEFORE HIS WORSHIP B.H. ABE (MRS), ESQ., SITTING AT THE CHIEF MAGISTRATE COURT 1, RUMUODOMAYA ON THURSDAY THE 2ND DAY OF JULY, 2026

RMC/SCC/8 & 9/2025

BETWEEN

MR. FRANCIS WALI ***(TRADING UNDER THE NAME AND STYLE OF DE FRANKTEX INTEGRATED SERVICES)***	**CLAIMANT**

VS

1. MR. OGBUERI PRINCE CHINONSO **2. EZE (DR.) S.A. OGBUERI**	**DEFENDANTS**

Matter for Judgment

Claimant in Court, defendant absent

F.U. Ikechukwu, Esq. with Lord Ikonwa, Esq. for the claimant.

JUDGMENT

For RMC/SCC/08/2025

The claimant claims against the defendants as follows;

1. That the defendants pay the claimant the sum of N4,500,000.00, being the principal sum of loan and accrued interests in the loan agreements of 26th July, 2024 and 15th August, 2024.
2. Damages of N300,000.00.
3. N200,000.00 cost of litigation.
4. 10% annual interest of the total judgment sum.

Facts

This matter commenced via the service of the ordinary summons Form RSSC 3 on the defendants, the complaint Form RSSC 2 was also served on the defendants, both processes were served via substituted service on the defendants with the leave of Court.

Parties were granted leave to settle on the 2nd July, 2025, settlement failed.

Consolidation of SCC 08/09 on the 20th August, 2025.

Cw1 in giving evidence, adopted his statement on oath filed 16th May, 2025 wherein he submitted as follows; led by Agochi Amadi, Esq., D. F. Okpara appeared for the defendants.

That he Francis Wali, the claimant, a liencsed money lender living at No. 13 NYSC Road, Alakahia, on the 26th July, 2024 gave the defendants a loan, the terms of the loan were reduced to writing, loan agreement before the Court.

The loan of N500,000.00 with monthly interest of 20% was given to the defendants, which is N100,000.00, the defendants were to pay off the loan and interest within six (6) months, i.e. from 26th July, 2024 to 26th January, 2025 amounting to N1,100,000.00, the defendants failed to pay till date.

The interests from February 25 to May, 2025, amounts to N400,000.00. Total indebtedness of the defendants from August, 2024 to May, 2025 is N1,500,000.00.

The defendants took another loan from the claimant on the 15th August, 2024 for their contract, took loan of N1,000,000.00 with 20% interest, for six months, September, 2024 to February, 2025, total loan plus accrued interests with six months from September, 2024 to February, 2025 will be N2,200,000.00, total loan from 15th August, 2025 to May, 2025 is N3,000,000.00.

The claimant through his counsel has demanded this loan from the defendants to no avail in a letter dated 17th January, 2025, but the defendants refused to pay till date.

The defendants deposited the 2nd defendant's Deed of Conveyance of land as collateral for the loans. A copy of the Deed of Conveyance is annexed.

He paid his lawyer N300,000.00, prayed the Court to grant all his applications.

Exhibits tendered, admitted in evidence include;

1. Exhibit A – Money lender's licence certificate.
2. Exhibit B – Loan Agreement of 26th July, 2024.
3. Exhibit C – Loan Agreement of 16th August, 2024.
4. Exhibit D – Deed of Conveyance, collateral by the defendants.
5. Exhibit E – Demand Notice written by the claimant through his counsel.

Same Exhibits admitted in RMC/SCC/09/2025 including the Forms filed by the defendant admitted in evidence as Exhibits F and G. Certificate of registration of his business name, Exhibit H.

For RMC/SCC/09/2025

The claimant claims against the defendants as follows;

1. That the defendants pay the claimant the sum of N2,250,000.00, being the principal sum of loan and accrued interest in the loan agreements of 24th August, 2024 and 30th August, 2024.
2. Damages of N300,000.00.
3. N200,000.00 cost of litigation.
4. 10% annual interest of the total judgment sum.

Facts

The claimant, Francis Wali on the 26th July, 2024, gave the defendants a loan of N300,000.00 with monthly interest of 25%, i.e. N75,000.00 for one month, 26th August, 2024 to September, 2024 amounting to N375,000.00, but they failed to pay same. Total indebtedness with accrued interests of 25% from August, 2024 to June, 2025 is N1,000,000.00.

On the 30th August, 2024, the defendants took another loan of N300,000.00 with monthly interest of 30% for one month, August to September, 2024, total of N390,000.00 for one month. The defendants defaulted.

Total debt from August 30th, 2024, to June, 2025 is N810,0000.00, total with loan sum equals N1,200,000.00. both loans amount to N2,250,000.00 for 26th August, 2024 and 30th August, 2024.

The claimant through a Demand Letter dated 17th January, 2025 demanded this payment but the defendants refused to pay the claimant.

The defendants deposited the 2nd defendant's Deed of Conveyance of land as collateral for the loans.

He paid his lawyer N300,000.00 to file this suit. Exhibits A to H tendered, admitted in evidence.

End of evidence of cw1, cross-examination of cw1 – 2nd September, 2025.

Pertinent questions asked were as follows;

Que. - How many instalments did you give the defendants loan?

Ans. - Four (4), N500,000.00, N1,000,000.00, N300,000.00, N300,000,00.

Que. - Do you have anything to show the defendants were given these?

Ans. - Yes, my loan agreements.

Que. - Where did you get your rates?

Ans. - That is our agreement.

File sent to the Rivers State Multi Door Court House on the 12th September, 2025, returned to this Court November, 2025, parties did not settle.

Continuation of cross-examination of cw1

Loan granted via bank transfer to the defendants, bank statement with the claimant.

Que. - What interest rates did you charge the defendants?

Ans. - 20% and 30% for six (6) months.

Que. - will you be surprised that the annual charge should be 12.5%, not what you charge?

Ans. - This is an agreement between us, must be done as agreed. Loan July/August, 2024.

No record book to show details of the loan transaction.

Que. - How much has been advanced to you?

Ans. - N800,000.00.

Que. - Any receipt?

Ans. - No.

Que. - Advanced N1,500,000.00 to the defendants, see Exhibits A, C.

Defence tried to challenge that the loan sum was N2,100,000.00.

Reexamination

Explain to this Court what transfer means from your evidence on the 21st November, 2025?

Ans. - I went to the Bank, from my account with UBA and transferred the money to the defendant's account.

Claimant's counsel closed his case.

Defence

On the 21st January, 2026, the 1st defendant was called to give evidence, Lord Ikonwa for the claimant, N. H. Benstowe (Mrs.) appearing with D. F. Okpara for the defendant.

Dw1 gave his name as Ogbueri P. Chinonso, a business man living at No. 1B Street A, Evergreen Estate, Rumuagholu, adopted his statement dated and filed 21st January, 2026 as his evidence, wherein he submitted as follows;

On the 26th July, 2024, he approached the claimant for a loan of N1,500,000.00 for a contract, the claimant told him he could give him N1,000,000.00 only not 1,500,000, he executed a loan agreement of 1,000,000 only with the claimant and not 1,500,000.00, with N500,000.00 given to him in cash and a promise of N500,000.00 to be given to him before the end of the week, however, the N500,000.00 balance was paid to him in piecemeal over a period of two weeks, paid in cash.

On the 16th August, 2024, he approached the claimant for another loan of N1,000,000.00, he executed a loan agreement of N500,000.00 only with the claimant who did not have the N1,000,000.00 to give him.

Later gave him N200,000.00 paid in cash, total given to him was N1,500,000.00, in two separate loan agreements, Exhibits B and C before the Court.

He has paid back N1,000,000.00, paid through his counsel, Dr. Uche Dike to Agochi Amadi, the claimant's counsel. Balance of N500,000.00 left unpaid. His lawyer informed him that the 20%/30% interest charge are excessive and offends the money lender's laws of Rivers State, its illegal and the Court will declare it so and state how much he has to pay approved by law.

Receipts of payments from the defendant to the claimant's counsel admitted in evidence as;

Exhibit F – Payment of N500,000.00 to the claimant's counsel, Agochi Amadi dated 20th July, 2025.

Exhibit G – Payment of N300,000.00 to the claimant's counsel, Agochi Amadi dated 29th September, 2025.

Exhibit H – Payment of N200,000.00 to the claimant's counsel, Agochi Amadi dated 12th November, 2025.

Exhibit I – Certificate of compliance in accordance with section 84 of the Evidence Act, 2011.

Total – N1,000,000.00 paid to the claimant's counsel, Agochi Amadi by the defendant.

End of evidence of Dw1, cross-examination of Dw1.

Que. - Who is the 2nd defendant to you?

Ans. - My father.

Que. - The 2nd defendant's land was used as collateral when the contract was executed?

Ans. - Yes.

Que. - The claimant transferred the loan to your account?

Ans. - All the monies were cash payments.

He Confirmed the loan agreement was in 2024, also confirmed that the interest rate was 20% agreed by him.

Confirmed that he had not fully paid the principal sum and the interests.

Confirmed he was not forced to enter the agreement.

Denied the loan was paid to his account confirmed that it was paid in tranches.

Transfer documents tendered by the claimant's counsel to be admitted in evidence as Exhibits denied by the Court, documents to be tendered by the bank or the claimant, from whose account, the bank transfers emanated.

Adoption of final written address on the 13th May, 2026, claimant's counsel dated 20th April, 2026 filed 21st April, 2026, defence filed his on the 25th March, 2026, dated 3rd March, 2026.

Issues for determination

The Defendant to this suit has raised three issues for determination to wit:

a. Whether this Honourable Court has the jurisdiction to entertain this suit in view of the provisions of S. 17 of the Rivers State Money Lenders Law?

b. Whether or not by the existence of Exhibits B & C the Claimant lent the 1st Defendant the sum of One Million, Five Hundred Thousand Naira (₦1,500,000) only, out of which One Million Naira (₦1,000,000) only has been repaid?

c. Whether or not it is lawful for the Claimant to charge 30% and 20% monthly interest, which exceeds the rates allowed by the Money Lenders' Law of Rivers State?

Submitting thus; To this issue, we urge this Honourable Court to resolve same in the negative and decline jurisdiction to entertain this suit. This is because there are some preconditions which must be satisfied before the action for recovery of loan by a money lender can be competent and by extension the Court before which the action was brought can be clothed with jurisdiction.

We submit that this suit is flawed and rendered completely incompetent because of certain elements in the case which made this Court unable to assume jurisdiction. The law is settled that a Court will lack jurisdiction to hear a case where the case is not initiated by due process of the law or where there are features in the case which take away the jurisdiction of the Court. See MADUKOLU VS. NKEMDILIM (1962) NSCC 374.

We submit that this Honourable Court lacks the jurisdiction to hear and determine this suit because the case does not come before the Court initiated by due process of the law and upon fulfilment of the condition precedent to the exercise of jurisdiction. This Honourable Court cannot exercise jurisdiction over this matter because the condition precedent to be fulfilled by the Claimant for the suit to be competent was not fulfilled and by the authority of Madukolu vs. Nkemdilim (supra), it is this condition precedent that vests this Honourable Court with the required jurisdiction it has to entertain this matter.

The condition precedent to be fulfilled by the Claimant is spelt out in Section 17 of the Money Lenders Law of Rivers State, Cap. 87, Laws of Rivers State, which provides thus:

Section 17(1), Every money lender shall keep a receipt for every payment made to him on account of a loan or of interest thereon. Every such receipt shall be given immediately the payment is made.

(2) Every money lender shall keep a book (which shall be securely bound and paged so that leaves cannot be removed or inserted without apparent damage) in which he shall enter in connection with every loan made by him;

(a) the date on which the loan was made;
(b) the amount of the principal;
(c) the rate of interest;
(d) all sums received in respect of the loan or the interest thereon, with the dates of payment thereof;

And shall produce such book when required by any Court to do so.

(3) The entries in the book shall be made forthwith on the making of the loan or the receipts of sums paid in respect thereof, as the case may be.

(4) Any money lender who fails to comply with any of the requirements of this section shall not be entitled to enforce any claim in respect of any transaction in relation to which the default shall have been made. He shall also be guilty of an offence under this Law and shall be liable on conviction to a fine of Two Thousand Naira or, in the case of a continuing offence, to a fine of One Thousand Naira for each day or part of a day which such offence continues.

The above quoted section, particularly subsection (2), mandates the claimant/respondent or anyone carrying on with his kind of business in Rivers State to maintain a book on which he shall make entries regarding all details pertaining to the loan transactions which he makes. This section does not second-guess or leave such compliance to the discretion of the party involved. It mandates such a party to, as a matter of legal compulsion, comply with every letter of that provision, especially as the predicate used is "SHALL."

The law is that once the predicate "SHALL" is used in a statute, it connotes mandatoriness and not optional. Usage of the word "SHALL" in Section 17(1) & (2), and repetitively in every other subsection of the said section, connotes that maintaining the record book by the said money lender is mandatory and not open to discretion.

Particularly sub-section 4 of the above cited section 17 of the Rivers State Money Lenders' Law provides that any money lender who fails to comply with any part of the said section 17 SHALL in addition to having committed an offence, shall not be able to enforce the claimin respect of any transaction in relation to which the default shall have been made.

See The Supreme Court in TABIK INVESTMENT LTD & ANOR vs. GTB (2011) LPELR-3131(SC):

The Money Lenders' Law of Rivers State has spelt out the preconditions that must be fulfilled before this Court can be clothed with jurisdiction to handle this matter. The law is that once a statute prescribes what must be done or the way a thing must be done, the intendment of the law must be fully complied with; anything short of that will be *ultra vires* that action. See the case of NWANKWO vs. YARADUA (2013) 13 NWLR (Pt. 1263) 81 @ pp. 133–134, Paras. H–A, where the Court of Appeal held thus:

“It is settled law that where a statute provides a particular procedure for doing a thing, there should be no other method of doing it. Thus, once there is a condition precedent to the exercise of the jurisdiction of the Court and there is non-compliance to that condition precedent as set out in the statute, the Court is divested of jurisdiction. See C.C.B. Plc vs. A.-G., Anambra State (1992) 8 NWLR (Pt. 261) 528; Buhari vs. Yusuf (2003) 14 NWLR (Pt. 841) 446 at 492.”

The Supreme Court in Nwokoro vs. Onuma (1990) 3 NWLR (Pt. 136) 22 at 32, where Karibi-Whyte, JSC held as follows:

‘It is a fundamental principle of legality that where an act or course of conduct fails to meet with the requirements prescribed by law, such that the non-compliance renders the act or course of conduct devoid of legal effect, no legal consequences flow from such acts or course of conduct.’

Section 17 states of the Money Lenders' Law of Rivers State provides that any money lender such as the claimant who wants to maintain action and succeed in it must maintain a record and failure to do so, he shall in addition to having committed an offence, lose his entitlement to enforce his claim to the transaction in respect of which default might have been made. The only way a money lender can enforce his claim is through the Courts. Throughout the case of the claimant, he did not tender the record book as required by section 17 of the Money Lenders' Law of Rivers State. The claimant as CW1 in the witness box under cross examination on the 20th of Nov 2025 that he does not have any record book. When quizzed further, he said he is not aware that maintaining a record book is a precondition to the competence of this suit. The Court of Appeal held in IDRIS vs. A.N.P.P. (2008) 8 NWLR (PT. 1088) 1 @ P. 151, paras. G-H that;

"The maxim *"ignorantia juris quod quisquetenetur scire neminemexcusat"* means ignorance of law excuses no man and, indeed, furnishes no ground in law or equity."

See F.R.N. vs. ORUBEBE (2024) 12 NWLR (PT. 1952) 255 (P. 271, PARA. G);

"The parties cannot, either by arguments, consent, agreement or condonation vest or confer jurisdiction on a court where it does not exist or is absent. Thus, once a court of the law lacks the statutory jurisdiction over a matter, no amount of arguments from the parties can confer jurisdiction. (Osibamowo vs. Osibamowo (1991) 3 NWLR (Pt. 177) 85, Onwudiwe vs. F.R.N. (2006) 10 NWLR (Pt. 988) 382, Moses vs. State (2006) 11 NWLR (Pt. 992) 458; Mawo vs. Tsintuwa (2020) 2 NWLR (Pt. 1708) 306; Amuda vs. F.R.N. (2021) 7 NWLR (Pt. 1774) 130."

Since it has been established that this Court lacks the jurisdiction to entertain this matter, this Court has a duty to protect its sanctity by declaring that it lacks the jurisdiction to so do. Keeping in mind the Court's duty to protect its powers, integrity and authority, this Court must decline jurisdiction in this matter and dismiss this suit.

Going by the above, we urge this Honourable Court to hold that it lacks the jurisdiction to entertain this suit in the first place by the provisions of section 17 of the Money Lenders Law of Rivers State and having established so, we urge this Court to dismiss this suit in its entirety. So may it please this Court.

The only contract documents evidencing the existence of a loan between the Claimant and the 1st the Defendant before this Honourable Court are Exhibits B and C only which evidence the total sum of to One Million Five Hundred Thousand Naira (₦ 1,500,000) only and no other contract documents are before this Court to suggest a different figure. Hence, it is our argument that such claim without evidence or proof is unrealistic. In AKINBADE vs. BABATUNDE (2018) 7 NWLR (PT. 1618) 366 @ P. 393, PARAS. F-G) the Supreme Court held thus;

"Mere averments without evidence in proof of pleaded facts go to no issue. The Court of Appeal, therefore, was right in its finding that the plaintiffs/appellants who had failed to lead evidence in proof of their pleadings on the source of their title to the land in dispute, on the authorities, must be deemed to have abandoned their claim."

Having been established through the witness deposition and testimonies of the claimant that the Claimant charged 20%, 25% and 30% as monthly interest in the loan transaction between him and the 1st defendant. The question to ask then is whether such rates are lawful. We most humbly submit before this Honourable Court that the 20%, 25% and 30% as monthly interest is unlawful. This is because it exceeds the rates allowed or approved by the Money Lenders Law of Rivers State.

For the avoidance of doubt, the s 11 of the Money lenders law of Rivers State provides thus;

Secction 11 (1) *The interest which may be charged on loans, whether by a money lender or by any person other than a moneylender, shall not exceed the respective rates specified hereunder.*

(a) *on loans secured by a charge on any freehold property or Government bond or insurance policy or the debentures or shares of any company or by a bill of sale in respect of any goods or by the assignment of any personal rights legally enforceable, or by the indemnity or personal guarantee of a third party, simple interest at the rate of 15 percent per annum for the first One Hundred Thousand Naira or part thereof and at the rate of* $12^1/_2$ *percent per annum on any amount in excess of one hundred thousand naira;*

(b) *on loans secured by a second charge on any of the real or personal property or rights referred to in paragraph (a) of this subsection, simple interest at the rate of* $17^1/_2$ *percent per annum for the first One Hundred Thousand Naira or part thereof and at the rate of 15percent per annum on any amount in excess of one hundred thousand naira;*

(c) *on unsecured loans simple interest at the rate of 48 percent per annum.*

From the above it is clear that except for unsecured loans in sub paragraph c, all other are below 20% and all are charged annually. One now wonders from where the claimant got his 20%, 25% and 30% as monthly interest. To be clear, the transaction between the Claimant and the 1st defendant is secured by a real or personal property as evidenced in Exhibit D being the admitted Deed of Conveyance of the 2nd Defendant's Real Property in Rumuagholu, hence the transaction is rightly captured under sub paragraph b. going by sub-paragraph b, the interest rate is supposed to be $17^1/_2$ percent per annum for the first One Hundred Thousand Naira and 15 percent per annum on any amount in excess of the 1st one hundred thousand naira; and not 20%, 25% and 30% as monthly as the Claimant is purporting to charge.

Bearing the above provisions in mind, it is clear that the Claimant's purported monthly interest charged at 20%, 25% and 30% is unlawful and must be declared invalid by this Court. The Supreme Court has held in OKPALAUZUEGBU vs. EZEMENARI (2011) 14 NWLR (PT. 1268) 429 AT 524-525, PARAS G-A, it was held as follows:

"Where a law or legislation has set out the procedure for doing a thing, there should be no other method of doing it."

Also, in INAKOJU vs. ADELEKE (2007) 4 NWLR (PT. 1025) P. 423 @ P. 697

The combined pronouncements in OKPALAUZUEGBU vs. EZEMENARI & INAKOJU vs. ADELEKE supra. is to the effect that whatever law says should be done, must be done the way the law states it should be done. In this case, the Money Lenders Law of Rivers State provides $17^1/_2$ for the 1st One hundred Thousand Naira and 15 percent for any amount in excess of the 1st One Hundred Thousand Naira only; hence, we are urging this Honourable Court to hold that the 20%, 25% and 30% is unlawful and thus invalid.

We urge this Honourable Court to hold that the interest the claimant is entitled to is Twenty-Two Thousand Naira (N 22,000) only for the first One hundred Thousand Naira charged at $17^1/_2$ % per annum and Two Hundred and Ten Thousand Naira (N210,000) only for the remaining One Million Four Hundred Thousand Naira (N1,400,000) charged at 15% per annum.

The claimant's counsel in his final written address posited inter alia; Claimant's written address dated 20th April, 2026, filed 21st April, 2026 in response to the defence written address.

Issues for determination by the claimant's counsel

Issue 1

The final written address of the defence offends the provisions of Art 13 of the practices Direction of the SCC, its 15 pages long Art provides for 3 pages, filed more than three days after the close of their case, so should be struck out.

Issue 2

The defendants cannot rely on the prove of the money lender's law to attack the claimant's right to sue for recovery of his money from the defendant. Technicalities cannot rob the Court of doing substantial justice in a case before it, claims must be decided on their merit.

See SPDCN vs. Ekwems (2023) 4 NWLR (pt. 1874) 249 para. H by the Supreme Court.

Ibrahim vs. Osim (1988) 3 NWLR (pt. 82)257, parties are bound by their agreement voluntarily entered.

See G. S. & I Ltd. vs. Amcon (2023) 15 NWLR (pt. 1907) 355

The defendants did not challenge or cross-examine the claimant on the claims of cost and damages, and so same should be admitted (relying on cases cited by him); the Court should enter judgment for the claimant and jettison the submissions of the defence.

Issues for determination by this Court

1. Whether this Court has the jurisdiction to entertain this suit?
2. Whether the claimant's claims can be granted?

COURT

Issue 1

Jurisdiction
A moneylender without a valid licence may be unable to enforce the loan transaction.

Since Exhibit A is the Moneylender's Licence, that issue appears covered.

The claimant tendered Exhibit A showing that he operated as a licensed moneylender.

Most State Moneylenders Laws (including provisions similar across former regional laws adopted by states) empower the court to:

- reopen a moneylending transaction,
- relieve a borrower from excessive interest,
- set aside or revise unconscionable terms,
- or substitute a fair rate of interest.

The evidence before the Court shows that although the claimant tendered a Loan Agreement and a Loan Undertaking duly executed by the parties, there is no evidence that the claimant kept the statutory record of transactions (loan book) required by Section 17. The claimant also did not produce such record during the proceedings.

The consequence of non-compliance is expressly prescribed by the Law itself. The legislature has not left the matter to the discretion of the Court**.** It provides that a moneylender who fails to comply with the requirements of the section shall not be entitled to enforce any claim in respect of the transaction in relation to which the default occurred.

The use of the word "shall" denotes a mandatory obligation under our legal jurisprudence clause. Where the language of a statute is plain and unambiguous, the Court has no option but to give effect to its ordinary meaning. The Court cannot rewrite the statute or create exceptions not enacted by the legislature.

The object of Section 17 is not merely evidential. It is a consumer-protection provision intended to ensure transparency and accountability in moneylending transactions. Compliance with the section is therefore a statutory condition attached to the enforcement of a moneylender's rights.

The Court accepts that the evidence establishes that the defendant received the loan and executed both the Loan Agreement and the Loan Undertaking. Ordinarily, those documents would constitute sufficient proof of the debt. However, proof of the loan is not the only issue before the Court. The more fundamental issue is whether the claimant has the legal capacity, under the Moneylenders Law, to enforce repayment, as submitted by the defence.

The Court cannot ignore an express statutory prohibition merely because the borrower admittedly received the money. Equity follows the law, and where the legislature has expressly withheld the right of enforcement upon non-compliance, equitable considerations cannot override the statute.

This principle was recognised in Kasumu vs. Baba-Egbe (Privy Council), where the Court held that a moneylender who failed to comply with the statutory requirements could not enforce the loan. Likewise, in F.I. Adetula v. J.A. Bakare (1964) NMLR 469, the Court stated:

“When the governing statute enacts that no loan which fails to satisfy any of these requirements is to be enforceable, it must be taken to mean what it says; no court of law is to recognise the lender as having a right at law to get his money back.”

The Court must therefore give effect to the legislative command.

One authority may assist you significantly: in Max Blossom Ltd. vs. Maxwell T. Victor & Ors. (2019), the Court of Appeal reversed the trial court’s finding of illegality because, on the facts, the loan agreement was held to have complied with the applicable provisions of the Rivers State Moneylenders Law. The Court emphasized that whether a loan is unenforceable depends on the specific statutory breach proved by the evidence; it is not every alleged non-compliance that renders a loan unenforceable.

Section 19 of the Money Lender’s Law of Rivers State, 1999, cap 87, vol. 14 requires a loan book to be kept by the lender.

A moneylender who fails to comply with any of the requirements of Section 17 is not entitled to enforce any claim arising from the transaction in relation to which the default occurred.

The crucial issue is whether, having regard to the provisions of Section 17 of the Moneylenders Law, Cap 87 laws of Rivers State, 1999, the claimant is entitled to enforce the loan transaction notwithstanding his admitted failure to comply with the statutory requirements of the section.

The claimant instituted this action as a moneylender seeking to recover the outstanding loan together with interest. The transaction is therefore governed by the provisions of the Moneylenders Law of Rivers State, 1999.

Section 17 of the Law imposes mandatory obligations on every moneylender, including the duty to keep the statutory record of loan transactions. More importantly, the section expressly provides that a moneylender who fails to comply with the requirements thereof shall not be entitled to enforce any claim in respect of the transaction to which the default relates.

The language employed by the legislature is plain, direct and mandatory.

The settled position of the law is that where the words of a statute are clear and unambiguous, the Court must give them their ordinary grammatical meaning without importing qualifications not contained in the enactment, rightly submitted by the defence.

The Supreme Court reiterated this principle in A.-G., Federation vs. A.-G., Abia State (2001) 11 NWLR (Pt. 725) 689, where it held that where statutory words are clear, they must be accorded their ordinary meaning.

Similarly, in Ibrahim v. Barde (1996) 9 NWLR (Pt. 474) 513, the Supreme Court held that courts are not at liberty to read into a statute word which the legislature has deliberately omitted.

In the instant case, the claimant neither pleaded nor proved compliance with Section 17. Indeed, from the evidence before this Court, no statutory loan book was kept in respect of the transaction. The claimant instead relied on the Loan Agreement and the Loan Undertaking.

While those documents undoubtedly prove that money passed from the claimant to the defendant, they do not answer the statutory question before the Court.

The issue is not whether the claimant proved the loan.

The issue is whether the claimant is legally entitled to enforce repayment in view of the express prohibition contained in Section 17 of the Moneylenders Law.

The distinction is significant.

A debt may exist in fact, yet remain unenforceable by operation of statute.

The courts have consistently recognised this distinction.

In Kasumu vs. Baba-Egbe (Privy Council), affirming Gbadamosi Baba-Egbe vs. Kasumu (1954) 14 WACA 116, it was held that where a moneylender fails to comply with the statutory requirements governing the keeping of loan records, the statutory prohibition against enforcement must be given effect.

Likewise, in F.I. Adetula vs. J.A. Bakare (1964) NMLR 469, the Court emphatically stated that where the governing Moneylenders Law declares that a non-compliant loan shall not be enforceable, no court of law is entitled to recognise the lender as possessing an enforceable right to recover the loan.

This Court respectfully adopts that reasoning.

Counsel for the claimant urged the Court to rely on the Loan Agreement and the Loan Undertaking as sufficient proof of the transaction. While this argument is attractive from an equitable standpoint, it cannot prevail against the express command of the statute.

It is a settled principle that equity follows the law. Where the legislature has expressly denied a defaulting moneylender the right to enforce a transaction, equitable considerations cannot be invoked to defeat the statute.

The Court is not concerned with the wisdom or otherwise of the legislation. Its duty is to apply the law as enacted.

See Section 17: Duty of Money-lenders to Keep Books;

(1) Every money-lender shall keep a book (which shall be known as the "money-lenders ledger") in which he shall enter a true and detailed account of each loan made by him after the commencement of this Law, showing clearly;

- (a) the date on which the loan was made;
- (b) the amount of the principal of the loan;
- (c) the rate of interest per centum per annum payable in respect of the loan;
- (d) the total amount of the sums received by him in respect of the loan or the interest thereon, together with the dates of payment thereof.

However, I can tell you that the Rivers State provision is substantially to the following effect:

A moneylender who fails to comply with any of the requirements of Section 17 is not entitled to enforce any claim arising from the transaction in relation to which the default occurred.

Section 17 of the Money Lenders Law (applicable in Rivers State) mandates that licensed lenders keep meticulous records of all transactions. It prohibits lenders from charging borrowers any extra fees or "expenses" on loans. Any unauthorized charges added to the loan amount will result in the lender losing their legal right to enforce the contract.

Key Provisions of Section 17

- Prohibition of Extra Charges: Lenders are legally barred from demanding or deducting any fees, fines, or "expenses" from the borrower for negotiating, inquiring, or granting the loan. Only the principal sum and the agreed-upon interest are recoverable.

- Strict Record-Keeping: Lenders must maintain a precise, updated book recording the loan amount, the date it was made, the rate of interest, and all repayments made by the borrower, along with corresponding dates.

- Penalties for Default: If a lender fails to comply with these accounting and charging rules, the loan agreement becomes void and unenforceable in court. They may also face summary conviction and fines for non-compliance.

Broader Context in Rivers State.

Under the state's Money Lenders Law (which derives from the foundational Nigerian Money Lenders Act), anyone who lends money for profit as a business must be duly licensed by the state magistrate court. Unregistered or unlicensed individuals or loan apps cannot legally enforce interest charges or recover the loan through the formal judicial system.

Yes. The mere fact that the lender did not keep the statutory loan book required by Section 17(1) of the Rivers State Moneylenders Law does not automatically deprive the court of jurisdiction or render the loan transaction unenforceable, unless the Law expressly provides that non-compliance invalidates the loan or bars recovery.

The answer depends on three issues:

1. Whether the lender is a moneylender within the meaning of the Law.

    - If the claimant falls within the statutory definition of a moneylender, the provisions of the Law apply.
    - If not, Section 17(1) is irrelevant.

2. The consequence prescribed by the Law for failure to keep the statutory book.

    - Where a statute imposes a duty but does not expressly state that failure to comply renders a transaction void or unenforceable, Nigerian courts are generally reluctant to imply such a drastic consequence.
    - If Section 17 merely imposes a regulatory obligation without prescribing nullity, the omission may amount to a breach of the statute but does not necessarily extinguish the lender’s contractual rights.

3. Whether there is other credible evidence proving the loan.

    - If the claimant has produced:
    - a duly executed loan agreement;
    - a loan undertaking;
    - evidence of disbursement of the loan; and
    - evidence of the borrower’s default,
      the court can rely on those documents to determine whether the loan was made and whether repayment is due.

The purpose of the statutory loan book is generally to maintain an official record of transactions. However, where the loan agreement and undertaking clearly set out:

- the amount advanced,
- the interest (if any),
- the repayment terms, and
- the parties’ signatures,

those documents constitute independent evidence of the transaction.

The claimant's counsel argues that failure to keep the statutory book amounts to non-compliance with the Law and should disentitle the lender from relief. However, unless the Law specifically makes keeping the book a condition precedent to maintaining an action or expressly states that non-compliance renders the loan irrecoverable, the court may still determine the claim on its merits.

The Supreme Court has consistently held that where a statute prescribes a duty without prescribing that non-compliance invalidates the act done, the court should not readily infer nullity. The court's task is to ascertain the legislative intention from the wording of the statute.

Accordingly, if the loan agreement and undertaking are properly admitted in evidence and prove the existence of the loan and the defendant's obligation to repay, the court may grant judgment for the lender notwithstanding the absence of the statutory loan book, provided no other provision of the Moneylenders Law makes such non-compliance fatal.

Who is a Moneylender? In the case of Eboni Finance and Securities ltd vs. Wole Ojo Technical Services Ltd. & 2 ors, the Court of Appeal held, inter alia that: "The definition of a money lender encompasses every person whose business is that of money lending and any person who lends money on interest or who lends a sum of money in consideration of a larger sum being repaid".

Money is necessary for the facilitation of everything in life. To meet the need and demand for money, the art of lending evolved with financial institutions, notably banks, providing large scale credit facilities mainly for investments and related matters. Such credit facilities or loans called for stringent security in the form of cumbersome collaterals.

Further obligations; The law imposes certain obligations on every money lender. There are two main obligations here: the first is to issue receipts and the second is to keep a book of records. Every money lender is expected to give a receipt for every payment made to him on account of a loan or any interest paid in respect of the loan, and such a receipt must be issued immediately the payment is made.

The moneylender must also keep records of his transactions with the borrower. This record must be by way of a book which must be securely bound together. The book must contain records of every loan made by him which record must include the date on which the loan was made, the amount of the principal, the rate of interest payable and all sums received in respect of the loan or the interest, with the dates of payment. Any moneylender who fails to comply with any of these requirements will not be entitled to enforce any claim in respect to any transaction in relation to which the default has been made.

Section 19 of the Rivers State Money Lenders Law (Cap 87) explicitly requires a lender to keep a physical book to record all loan transactions.

Specifically, Section 19(2) mandates that every moneylender must maintain a bound and paged record book to track essential details for every single loan they issue.

Exact Statutory Requirements of Section 19(2).

The law sets highly strict rules for how this book must be maintained to prevent fraud or alteration:

1. Tamper-Proof Formatting: The book must be securely bound and sequentially paged so that pages ("leaves") cannot be removed or inserted without showing clear physical damage.

2. Mandatory Details: For every loan transaction, the lender must record:

    - The date the loan was made.
    - The exact amount of the principal.
    - The specific rate of interest charged.
    - All repayment sums received, along with the exact dates those payments were made.

4. Real-Time Entries: Section 19(3) dictates that these entries must be written into the book immediately("forthwith") upon issuing the loan or receiving a repayment.

The Severe Penalty for Violation

Under Nigerian law, if a moneylender fails to maintain this transaction book exactly as required by Section 19, the penalty is devastating to their business: the entire loan contract becomes legally unenforceable.

If a borrower defaults and the lender takes them to a magistrate court in Rivers State, the judge will dismiss the case entirely if the lender cannot produce a properly compliant transaction book when requested. The lender legally forfeits both the interest and the principal.

By explicitly violating Section 19, the lender suffers complete forfeiture of the debt and criminal liability.

Total Unenforceability of the Loan.

The most immediate civil consequence is that the lender cannot legally enforce the loan contract in a court of law.

- Complete Loss: The lender completely loses the right to sue the borrower to recover either the accrued interest or the actual principal sum lent out.

- Court Precedent: the courts (following long-standing precedents like Balogun vs. Obisanya) strictly rule that non-compliance with the specific requirement to keep a transaction book goes to the very root of the contract. A judge will immediately dismiss a recovery suit brought by a non-compliant lender.

2. Criminal Prosecution and Fines

Failing to maintain the record book is classified as a statutory offense. Upon summary conviction in a magistrate court, the moneylender faces:

- A criminal fine for the core violation.
- A compounding daily fine (a "continuing offense" penalty) for every single day the book remains unkept or unrecorded.

3. Evidentiary Collapse

If a dispute arises over how much money the borrower has already repaid, the law shifts a heavy evidentiary burden onto the lender. Without the legally mandated physical book filled out immediately ("forthwith") at the time of the transactions, oral testimony by the claimant will not suffice. Section 19 is explicitly titled "Moneylenders to give receipts and keep records of transactions". Money Lenders Law of Rivers State, cap 87, Vol. IV, 1999.

- Subsection (1) mandates giving a receipt immediately upon payment.

- Subsection (2) contains the explicit "book form" requirement. It states: “Every moneylender shall keep a book (which shall be securely bound and paged so that leaves cannot be removed or inserted without apparent damage) in which he shall enter in connection with every loan made by him.

- The Book Requirement: The loan details must be typed or handwritten into a physically bound, paged book. Loose sheets or unpaged logs are unacceptable.

- The Penalty: If a moneylender fails to keep this book or fails to enter the transaction immediately, the loan contract becomes completely unenforceable in a court of law. The lender forfeits the right to recover both the principal and the interest.

However, Courts (including the Supreme Court) occasionally rely on equity to prevent a borrower from using statutory loopholes to completely get away with a cash windfall. While the court will gladly strike down all interest, penalties, and legal fees claimed by the lender, the judge may occasionally order the borrower to refund only the exact bare principal sum actually received, purely to avoid unjust enrichment.

In Nigerian consumer finance litigation, the intersection of strict state regulatory laws (like the Rivers State Money Lenders Law) and equity creates a distinct legal compromise. While a statutory breach (such as failing to use a proper "book form" or lending without a licence) makes the contract completely unenforceable regarding interest, penalties, and legal fees, the Supreme Court prevents borrowers from using the law as an engine of fraud to permanently pocket advanced funds.

See;

1. Uzoukwu vs. Idika (2022) 3 NWLR (Pt. 1818) 403

This is the definitive apex court authority. The Supreme Court extensively evaluated transactions that violated local state Money Lenders Laws. The court affirmed that even where a technical statutory defect or licensing issue strictly invalidates a standard commercial loan contract, equity dictates that a borrower cannot rely on technicalities to keep a cash windfall. The court's baseline framework restricts the lender's recovery strictly to the bare principal sum, completely striking out all accrued interest and penalties.

2. Sanni vs. John (2019) LPELR-48043 (CA)

Though an appellate decision, this case directly models the strict reduction to principal. The court held that where a lender violates the operational and regulatory standards of a state’s Money Lenders Law, the entire contract becomes tainted. Consequently, no action can be maintained by the lender to enforce or recover the interest. The court explicitly noted that the maximum entitlement a lender may claim under equity is strictly restricted to the principal amount advanced.

3. Alhaji Abdulkarim vs. Incar Nigeria Ltd (1992) 7 NWLR (Pt. 251)

The Supreme Court established the bedrock principle of Nigerian restitution that underpins the principal-only rule: "No person shall, after reaping benefit from a transaction of which he is a party, be heard to say such a transaction is illegal or void when it comes to him to fulfill his obligation..." Courts heavily cite this case to force borrowers to refund the exact, bare principal they received, ensuring they do not "disgorge" interest but still pay back the baseline value.

4. Solanke vs. Abed (1962) 1 SCNLR 371

A classic Supreme Court reference used for statutory violations. The apex court distinguished between a contract that is illegal because its core purpose is criminal, and a contract that is merely invalid or unenforceable due to a regulatory defect (like failing to use a bound logbook or lacking a temporary local license). Because the act of borrowing money itself is not a crime, the court permits a restitutionary remedy; meaning the lender cannot sue on the contract for interest, but can claim the bare money had and received (the principal).

The principal loan sum excluding interests accrued is 500,000.00 only see Exhibit B: the loan agreement dated 26th July, 2024.

For the loan of 16th August, 2024, the principal loan sum is N1,000,000, See Exhibit C:

Total of N1,500,000.00.

Defendant repaid N1,000,000.00; balance of N500,000.00 only to be paid to the claimant.

See Exhibit F – payment of N500,000.00 to Amadi Agochi on the 20th July, 2025 by Godswill Dike.

Exhibit G – payment of N300,000.00 to Agochi Amadi on the 29th September, 2025.

Exhibit H – payment of N200,000.00 to Agochi Amadi on the 12th November, 2025.

Total paid N1,000,

2. The express wording of section 17(4) of the Rivers State Money Lenders Law is itself very strong:
   "Any money lender who fails to comply with any of the requirements of this section shall not be entitled to enforce any claim in respect of any transaction in relation to which the default shall have been made."

   It further makes the default an offence

"Section 17 of the Moneylenders Law, Cap. 87, Laws of Rivers State, mandates every moneylender to keep a properly bound loan book recording the particulars of each loan and to produce same when required by the court. By subsection (4), a moneylender who fails to comply with these statutory requirements is not entitled to enforce any claim in respect of the transaction to which the default relates. Having failed to produce the statutory loan book, the claimant has not complied with the mandatory provisions of section 17 of the Law and is therefore precluded from maintaining this action."

This statutory consequence is mandatory once the prerequisites are established.

I wherefore find that this Court has jurisdiction to entertain the suit, but will not grant the monetary claims of the claimant except the principal loan sum as provided in the Money Lenders Law of Rivers State, 1999. I Align with the submission of the defence.

The other claims are hereby struck out, only N500,000.00, N400,000.00 legal fees and 10% post judgment will be granted.

Consequently, the defendant shall pay only N500,000.00 to the claimant.

All accrued interests are hereby dismissed by this Court. Accordingly, having found that the claimant failed to comply with the mandatory provisions of Section 17 of the Money Lenders Law, this Court holds that the claimant is statutorily barred from enforcing the present claims.

The claimant’s action therefore fails.

The claimant’s claims for recovery of the outstanding loan, interests thereon and ancillary reliefs are hereby dismissed.

Accordingly, it is thereby ordered as follows;

1. That the defendants shall pay N500,000.00 (Five Hundred Thousand Naira) only, to the claimant being the principal loan sum advanced to the defendant.

2. That all accrued interests and damages be and are hereby dismissed by this Court.

3. That the cost of this suit awarded for both RMC/SCC/8 & 9/2025 is assessed at N400,000.00 (Four Hundred Thousand Naira) only, N200,000.00 (Two Hundred Thousand naira) only for each of the cases, this shall be paid by the defendants to the claimant. p

4. That 10% annual interest from judgment 2nd July, 2026 till final liquidation of the total judgment sum, be paid by the defendants to the claimant.

This is the judgment of the Court.

MRS. BARIYAAH .H. ABE
Chief Magistrate
2nd July, 2026.

RIVERS STATE JUDICIARY
SIGN:
DATE: 15/7/2026
SMALL CLAIMS COURT REGISTRY, RUMUODUMAYA