IN THE CHIEF MAGISTRATE COURT OF RIVERS STATE OF 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/13/2026

BETWEEN

FRANCIS WALI ***(TRADING UNDER THE NAME & STYLE OF DE-FRANKTEX INTEGRATED SERVICES)***	**CLAIMANT**

VS.

1. JOSHUA AKPEKI **2. PROMISE AMAKIRI**	**DEFENDANTS**

Matter for Judgment.

Claimant present, defendants absent

E.U. Ikechukwu, Esq. for the claimant;

JUDGMENT

The claimant claims against the defendant as follows;

1. An order that the defendant pays the claimant the sum of ₦1,220,000 (One Million, Two Hundred and Twenty Thousand Naira), being principal sums of loan and accrued interests not paid in the loan agreement of 7th January, 2025.

2. An order for damages of ₦500,000.00 (Five Hundred Thousand Naira).

3. ₦500,000.00 as cost of Litigation.

4. 10% annual interest of the Total Judgment sum.

Facts

This matter commenced via the service of the ordinary summons on the defendant, the complaint Form, letter of demand, affidavit of service before the Court dated 13th May, 2026 by the bailiff of Court, Eli Victor. Served via substituted service with the leave of Court granted on the 8th May, 2026 upon the application of the claimant's counsel, E. U. Ikechukwu, Esq.

Cw1, Francis Wali was led in evidence by E.U. Ikechukwu Esq on the 9th June, 2026. He testified informing the Court, he is a licensed money lender trading under the name and style of DeFrantex Integrated Services. He loaned the defendant on the 7th January, 2025, the sum of the N300,000.00, interest rate of 30% monthly at N90,000.00.

The loan was to be paid off within three months from 7th January, 2025 to 6th April, 2025, the defendant however defaulted. Interest and principal sum remain unpaid. Interest from 7th January, 2025 to May, 2026 amounts to N1,350,000.00, the defendant paid N430,000.00 leaving a balance of N920,000.00 (accumulated interests). Total debt N1,220,000.00 includes principal sum plus interests accumulated.

The claimant via his lawyer made a demand to the defendant, no response. Paid his lawyer N500,000.00 for this suit. Claims as aforementioned. End of evidence, the Court ordered a hearing notice to be served on the defendant.

The defendants were foreclosed from cross-examination of cw1 afterwards and from entering their defence due to their absence in Court, on the 10th June, 2026. Claimant's counsel waived his right to address the Court.

Exhibits cw1 tendered.

1. Loan Request Form - Exhibit A
2. Letter of undertaking - Exhibit B
3. Bank Statement of the claimant evidencing payment of N300,000.00 to the 1st defendant on the 8th January, 2025 – Exhibit C.
4. Demand Letter – Exhibit D.
5. Certificate of registration – Exhibit E.
6. Money lenders licence – Exhibit F.

Issue for determination

Whether the claimant is entitled to his claims?

COURT

Hearing notice served on the defendants, see affidavit of service dated 9th June, 2026. Affidavit of service of the ordinary summons etc. dated 13th May, 2026, yet the defendants failed to appear before this Court, this is deemed an admission of the claimant's claims, see the Small Claims Court Practice Direction.

I have warned the claimant not to impose 30% interest on the loan sum monthly on his clients, the interest should be reasonable so that the defendant can pay within the time allowed for the payment. The Court has frowned at the exorbitant interests and will not allow the claimant to impose such interests on his clients the defendants.

The claimant in proof of his claims tendered Exhibits A to F in compliance with sections 131 to 134 of the Evidence Act, he who asserts must prove, civil cases are proved on the preponderance of evidence and balance of probabilities; see especially Exhibit C, the bank statement of the claimant evidencing payment of N300,053.75 to the defendant on the 8th January, 2025, the day after the loan agreement was entered into by both parties. The contract has been breached due to the defendant's inability to fulfil the terms of the contract by refusing to pay the principal sum plus accumulated interests. See also Exhibit A, the loan agreement dated 7th January, 2025, Exhibit B, letter of undertaking by the defendant to pay the defendant monthly for three months and remit the capital of N300,000.00 after three months dated 7th January, 2025 signed by the defendant and his witness.

Exhibit D – letter of demand by the claimant to the defendant, which he failed to adhere to.

Exhibits E/F proof of the claimant's business as a money lender.

The unchallenged evidence of the claimant remains credible for the Court to rely on, see Nwabuoky vs. Ottih (1961) 2 SCNLR 232, the law is that documentary evidence not challenged can be relied on by the Court.

Where a defendant was duly served with the court processes and hearing notices but failed to enter appearance, file a defence, or participate in the proceedings, and the claimant led credible evidence in proof of the claim, the proper course is to enter judgment for the claimant to the extent proved.

Since this is essentially an undefended matter, this judgment will show:

1. Service of processes on the defendant.
2. Failure of the defendant to appear or defend.
3. Evidence led by the claimant.
4. Whether the claimant proved entitlement to the reliefs sought?
5. Specific findings on interest, damages, and costs.

This suit was commenced by the claimant against the defendants seeking the following reliefs:

a. The sum of ₦1,220,000.00 being indebtedness arising from a loan transaction entered into between the claimant and the defendant on 7th January 2025.

b. General damages in the sum of ₦500,000.00.

c. Cost of litigation assessed at ₦500,000.00.

d. 10% post-judgment interest per annum until final liquidation of the judgment debt."

The record of the Court shows that the defendants were duly served with the originating processes and hearing notices but failed, refused and/or neglected to enter appearance or defend this action, affidavit of service before me by the Court bailiff, defendants served personally.

The claimant testified and tendered documentary evidence in support of his claims. Despite service, the defendant neither cross-examined the claimant nor adduced any evidence in rebuttal.

I am therefore satisfied that the defendants were accorded fair hearing."

The evidence of the claimant remains unchallenged and uncontroverted. The law is settled that where evidence is unchallenged and credible, the Court is entitled to act on same.

From the evidence before the Court, I find that the claimant granted a loan facility to the defendants which they failed to liquidate as agreed.

I have carefully considered the evidence adduced by the claimant together with the documentary exhibits tendered before this Court.

The law is settled that documentary evidence which is neither challenged nor contradicted can be relied upon by the Court. Similarly, uncontroverted evidence which is credible ought to be accepted by the Court, see Omoregbe vs. Lawani (1980) 3 – 4 SC 108 - Principle: Uncontroverted evidence which is not inherently incredible should normally be accepted by the Court.

Odulaja vs. Haddad (1973) 11 SC 357 - Principle: Where evidence given by a party is not challenged by the opposite party, the Court may accept it and act upon it.

Nwokidu vs. Okanu (2010) 3 NWLR (Pt. 1181) 362 - Principle: Uncontroverted affidavit or oral evidence may be relied upon once credible.

However, the fact that evidence is unchallenged does not automatically entitle a claimant to judgment unless the evidence is credible and sufficient to establish the claim before the Court.

That qualification is important judicially, especially in debt recovery matters involving interest calculations.

From the Exhibits I find that there existed a valid loan transaction between the claimant and the defendants. The Exhibits further support the claimant's assertion regarding the disbursement and transaction history relating to the loan facility.

No defence or counter claim filed by the defendants.

Under our law, particularly under various State Moneylenders Laws, the Court has the power to scrutinize loan transactions and refuse to enforce oppressive, unconscionable, excessive, or harsh interest rates even where the borrower signed the agreement.

It is no doubt the claimant is a licensed money lender see exhibits E and F. The Court will examine whether the claimed sum of ₦1,220,000 from ₦300,000 is legally recoverable?

General Principles Under Moneylenders Laws.

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 Court is not a rubber stamp merely because the borrower signed the agreement.

If the claimant merely states a lump sum without demonstrating the computation, this court may refuse the inflated amount.

The Court will grant the contractual interest if fully proved and not outrageous

The Court will reduce the interest where the interest appears excessive or oppressive, the court may:

- reduce the rate,
- award only reasonable interest,
- or substitute post-judgment interest.

Although parties are generally bound by the terms of their agreement, the Court retains equitable jurisdiction to refuse enforcement of oppressive or unconscionable interest charges, the Court can Grant only principal sum plus limited interest

If the computation is not satisfactorily proved; the claimant failed to establish how the sum claimed accumulated from the principal facility granted, the Court may award the principal sum together with reasonable interest.”

See;

Okonkwo vs. Cooperative and Commerce Bank Nig. Plc. (2003) 8 NWLR (Pt. 822) 347 - Principle: Parties are generally bound by their agreement, including agreed interest rates.

Ekwunife vs. Wayne West Africa Ltd. (1989) 5 NWLR (Pt. 122) 422 - Principle: The court may interfere where a transaction is oppressive or unconscionable.

U.B.N. Ltd vs. Ozigi (1994) 3 NWLR (Pt. 333) 385 - Principle: Interest claims founded on contract must be specifically pleaded and proved.

The fact that a matter is undefended does not relieve the claimant of the burden of proving his case on the balance of probabilities."

That is a standard and safe judicial position.

On the Interest Claimed

- Loan of ₦300,000
- Claim now ₦1,220,000 with 30% interest

The Court will not automatically grant accumulated contractual interest, Special damages and specific monetary claims must be strictly proved.

Under the Rivers State Moneylenders Law, Cap. 87, Vol. IV, Laws of Rivers State, 1999, the provision regulating the interest a moneylender may charge is Sections 13, 14, 15, see also cap 83 of the said law, 1999. However, its substance is as follows:

- Loans secured by specified securities (such as a charge over freehold property, government bonds, insurance policies, company shares or debentures, bills of sale, assignments of enforceable rights, or a third-party guarantee).
- Simple interest not exceeding 15% per annum on the first prescribed amount; and
- 12½% per annum on the balance above that amount.
- Loans secured by a second charge over such property.
- Simple interest not exceeding 17½% per annum on the first prescribed amount; and
- 15% per annum on the balance.
- Unsecured loans.
- Simple interest not exceeding 48% per annum.

The Law also:

- prohibits charging unauthorised interests (Section 12); and
- prohibits compound interests, except in the limited circumstances permitted by the Law (Section 13).

Where the claimant charged an interest rate exceeding that permitted by Sections 12,13, or charged compound interest contrary to Section 13, the defendant may argue that the claimant acted in breach of the Moneylenders Law.

However, the legal consequence depends on the particular provision breached:

- a breach of Section 13 may attract the statutory consequences prescribed by those sections; while
- a breach of Section 17 has the separate consequence that a non-compliant moneylender is not entitled to enforce the affected transaction if the statutory conditions for that consequence are met.

For a loan of ₦300,000, the Rivers State Moneylenders Law prescribes different maximum simple interest rates depending on the nature of the security:

- If the loan is unsecured: the maximum interest is 48% per annum (simple interest).

- If the loan is secured by the types of security specified in the law (such as a charge over property, government bonds, insurance policies, company shares, a bill of sale, an assignment of rights, or a third-party guarantee), the applicable rates are:

  - 15% per annum on the first statutory threshold amount; and
  - 12½% per annum on the balance above that threshold.

- If the loan is secured by a second charge over such property, the maximum rates are:

  - 17½% per annum on the first statutory threshold amount; and
  - 15% per annum on the balance.

Applying this to this case

If the ₦300,000 loan was not backed by any of the securities mentioned in Section 13, then the maximum interest permitted under the Law would be 48% per annum simple interest. That equates to:

- 12% for 3 months,
- 24% for 6 months, or
- 48% for a full year, assuming simple interest and no other unlawful charges.

If, however, the loan was secured, then the permissible rate would be substantially lower.

1. Was the ₦300,000 loan secured or unsecured?
2. If secured, what security was provided (e.g., land, vehicle, guarantor, post-dated cheque, or something else)?

- Principal: ₦300,000
- Interest rate: 48% per annum (simple interest)
- Loan date: 7 January 2025

- No repayments were made

The period from 7 January 2025 to 19 June 2026 (the date for the judgement adjourned due to an official programme by the judiciary) is 528 days (approximately 1 year, 5 months and 12 days).

The calculation is:

- Annual interest = 48% × ₦300,000 = ₦144,000
- Interest for 528 days = ₦144,000 × (528 ÷ 365) = ₦208,307

Therefore:

- Principal: ₦300,000
- Accrued simple interest (to 19 June 2026): ₦208,307
- Total amount due as at 19 June 2026: ₦508,307

This assumes simple interest only, which is consistent with the interest regime discussed under the Rivers State Moneylenders Law for unsecured loans. It does not include compound interest, default penalties, or post-judgment.

The law also does not allow general damages in recovery of debt cases due to the interest on the loan accumulated.

Costs follows events. I will award costs assessed at N500,000.00 in favour of the claimant as allowed under the Money Lender's Law.

Accordingly, judgment is entered in favour of the claimant against the defendant as follows:

1. That the defendant shall pay to the claimant, the sum of ₦300,000.00 (Three Hundred Thousand Naira), being the principal loan sum advanced to the defendant.

2. That the claimant is entitled only to the lawful simple interest prescribed under the Rivers State Moneylenders Law and not the contractual interest of 30% per month, which exceeds the statutory maximum applicable to an unsecured loan.

3. That accordingly, the claimant is awarded simple interest at the rate of 48% per annum on the principal sum of ₦300,000.00 from 7th January, 2025 to 19 June 2026, amounting to ₦208,307.00.

4. That the total judgment sum is therefore ₦508,307.00 (Five Hundred and Eight Thousand, Three Hundred and Seven Naira); less N430,000.00 (Four Hundred and Thirty Thousand Naira) already paid by the defendant.

5. That the judgment sum shall be paid within 30 days from the date of this judgment, failing which it shall attract post-judgment interest at the rate of 10% from 2nd July, 2026 till full liquidation of the judgment sum.

6. That the claimant is awarded costs assessed at N500,000.00 (Five Hundred Thousand Naira) as cost of this suit.

This is the judgment of the Court.

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

RIVERS STATE JUDICIARY
CASH OFFICE
RECEIVED
SIGN:
DATE: 7/7/26
SMALL CLAIMS COURT REGISTRY, RUMUODUMAYA