

**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 TUESDAY THE 26TH DAY OF
MAY, 2026**

RMC/SCC/09/2026

BETWEEN

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

VS.

MR. SUNNY ALECHI EGONU - **DEFENDANT**

Matter for Judgment.

E.U. Ikechukwu Esq for the claimant, defendant not in court, not represented.

Claimant Present.

JUDGMENT

The claimant claims against the defendant as follows;

The claimant claims the sum of N1,920,000.00 (One Million, Nine Hundred and Twenty Thousand Naira) only, from the defendant for the unpaid loan including accumulated interests from the loan received 26th November, 2024.

Facts

This matter commenced via the service of the summons on the defendant, Form RSSC 3, affidavit of service before this Court dated 4th May, 2026, served by the Court bailiff, Eli .C. Victor personally on the defendant.

No defence/counter claim filed by the defendant.

Cw1 adopted his deposition on oath wherein Exhibits A to F were all admitted in evidence, led by E. U. Ikechukwu, Esq.

The claimant stated the facts as follows therein;

That he is a business man residing at No. 13 NYSC Road, Alakahia in Obio/Akpor Local Government Area of Rivers State. He is the claimant in this suit. A licensed money lender trading under the name and style of De Franktex Integrated Services, the defendant loaned money from his company on the 24th November, 2024, the sum of N300,000.00, with an interest of 30% monthly, which is N90,000.00.

The loan was to be repaid on the 23rd January, 2025, the defendant defaulted. Principal loan plus accumulated interest not paid till date.

The defendant owes the claimant N1,920,000.00 from the 24th November, 2024 to the month of May, 2026.

A letter of demand was written to the defendant but got no response.

He paid N500,000.00 to his lawyer to file this action.

Claims

1. N1,920,000.00 (One Million, Nine Hundred and Twenty Thousand Naira) principal sum plus accumulated interest from the loan agreement of 24th November, 2024.
2. Damages of N500,000.00.
3. N500,000.00 cost of litigation.
4. 10% annual interest of the total judgment sum.

The defendant was foreclosed from cross-examination of cw1 and his defence due to his absence on the 13th May, 2026. Claimant's counsel waived his right to address the Court, thus, adjourned for judgment.

Issue for determination

Whether the defendant is liable to the claimant?

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 defendant seeking the following reliefs:

- a. The sum of ~~N~~1,920,000.00 being indebtedness arising from a loan transaction entered into between the claimant and the defendant on 24th November 2024.
- b. General damages in the sum of ~~N~~500,000.00.
- c. Cost of litigation assessed at ~~N~~500,000.00.
- d. 10% post-judgment interest per annum until final liquidation of the judgment debt.”

Proceedings/Appearance

The record of the Court shows that the defendant was 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 dated 4th May, 2026 by the Court bailiff, defendant 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 defendant was accorded fair hearing.”

Evaluation of Evidence

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 defendant on 24th November 2024 and the defendant failed to liquidate same as agreed.”

Evaluation of Evidence

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

The claimant tendered the following documents in proof of his claims:

- Exhibit A — Business Registration Certificate of the claimant’s company;
- Exhibit B1 — Form B, the claimant’s Moneylender’s Licence; Form of certificate
- Exhibit B2 - Form C The Money lenders Regulations License
- Exhibit B3 - Certificate of the Business of PawnBrokers

- Exhibit B4 - Form of PawnBrokers license
- Exhibit C - The loan Agreement executed by both parties in the presence of the defendant's witness dated 26/11/24
- Exhibit D - loan request form dated 26/11/24 with duration of payment within two months and not three months as stated by the claimant in his deposition
- Exhibit E - Letter of Undertaking executed by the defendant dated 26th November, 2024
- Exhibit F- Account statement of the claimant showing the loan of N300,000.00 to the defendant on the 26th November, 2024.

The defendant, though duly served with the processes of this Court and hearing notices, failed to appear or challenge the evidence led by the claimant.

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.

The following authorities are commonly cited on the principle that unchallenged, uncontroverted, and credible evidence ought to be accepted and acted upon by the Court:

Nwabuoku vs. Ottih (1961) 2 SCNLR 232 - Principle: Evidence not challenged or contradicted is deemed admitted and the Court is entitled to rely on it.

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.

Nzeribe vs. Dave Engineering Co. Ltd. (1994) 8 NWLR (Pt. 361) 124 - Principle: Evidence unchallenged under cross-examination and not rebutted is deemed admitted.

Ifeta vs. Shell Petroleum Development Company of Nigeria Ltd. (2006) 8 NWLR (Pt. 983) 585 - Principle: Where evidence is unchallenged and credible, the Court should act on it.

Bunge vs. Governor of Rivers State (2006) 12 NWLR (Pt. 995) 573 - Principle: Failure to challenge material evidence amounts to acceptance of that evidence.

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

Consolidated Resources Ltd vs. Abofar Ventures Nigeria Ltd. (2007) 6 NWLR (Pt. 1030) 221 - Principle: Unchallenged evidence remains good and admissible evidence which the Court can rely on.

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 Exhibits C, D, E and F particularly, I find that there existed a valid loan transaction between the claimant and the defendant. The Exhibits further support the claimant's assertion regarding the disbursement and transaction history relating to the loan facility.

Exhibits A and B1 to B4 also establish that the claimant carried on the transaction under the requisite, money lending licences.

Letter of demand from the claimant to the defendant filed 20th May, 2025 before this Court.

Affidavit of service dated 4th May, 2026

Summons dated 29/4/26, same date with the complaint form.

No defence or counter claim filed by the defendant.

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.

The key issue is usually whether:

- the claimant is a licensed moneylender?
- the interest rate was expressly agreed?
- and whether the interest is excessive, harsh, unconscionable, or contrary to equity and public policy?

See;

- Exhibit B — Moneylender's Licence,
- Exhibit C — Loan Agreement,
- 30% interest,

The Court will examine whether the claimed sum of ~~N~~1,920,000 from ~~N~~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.

The Court will hitherto Examine

1. Was the claimant licensed?

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

Since Exhibits B1 to B4 is the Moneylender's Licence, that issue appears covered.

The claimant tendered Exhibits B1 to B4 showing that he operated as a licensed moneylender.

2. Was the interest rate expressly agreed?

The Court has verified from Exhibits C to E, that;

- 30% was clearly stated, see Exhibit C, the loan agreement clauses 4, 5, 6.
- it was monthly.
- default penalties were provided, see clause 6 of the loan agreement, Exhibit A.

If ambiguous, the ambiguity is usually construed against the lender.

3. Is the accrued sum oppressive or unconscionable?

This is the critical part.

From ₦300,000 to ₦1,920,000 is more than six times the principal sum.

The Court will examine Over what duration did the debt accumulate?

- Was the interest simple or compound?
- Was there a default penalty?
- Was the borrower given proper breakdown/calculation?

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

Might 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.

c. 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.

Adekoya vs. Federal Housing Authority (2008) 11 NWLR (Pt. 1099) 539 - Principle: Special damages and specific monetary claims must be strictly proved.

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

Findings

“The Court is therefore satisfied that the claimant has proved on the balance of probabilities that the defendant is indebted to him arising from the loan transaction entered into between the parties.”

However;

- the full ₦1,920,000 was not specifically proved,
- the 30% interest was expressly agreed in Exhibits C, D and E
- No proper computation was demonstrated dt led to d sum of 1,920,000 claimed, in undefended matters, the Court must still scrutinize whether the claim is legally and mathematically proved.

Exhibits C, D, E expressly provides for:

- the principal sum,
- interest rate,
- repayment period,
- default clause.

This Court on this ground can safely grant the contractual sum proved from the documents.

“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 Claim

- Loan of ~~N~~300,000
- Claim now ~~N~~1,920,000 with 30% interest

The Court will not automatically grant accumulated contractual interest unless:

- the agreement showing the interest rate was tendered, and see Exhibit C, the loan agreement.
- the method/calculation of the accrued interest was proved.

The claimant tendered evidence establishing the agreed interest rate of 30%. I am satisfied though that the claimant has proved entitlement to the outstanding indebtedness claimed.”

Special damages and specific monetary claims must be strictly proved.

Accordingly, the Court can grant the entire principal sum and accumulated interests.

This should be the N300,000.00 principal loan sum and the accumulated interests for two years from 24th November, 2024 to 23rd of May, 2026 (which is two years).

Monthly interest at N90,000.00 multiplied by 2 years bringing it to a total of N2,160,000.00, which does not include as earlier stated the principal loan sum of N300,000.00 and not N1,920,000.00 as demanded by the Claimant.

The parties had agreed in Exhibit C the loan agreement clause 4 that; “the first part agreed to loan the said sum to the borrower and the borrower has agreed to accept/collect the loan with the condition that an interest of 30% of N300,000.00 will be paid by the second party every month of expiration until the loan is paid off”. In pursuance of the said agreement and inconsideration of the sum of N300,000.00 loaned to the borrower by the lender.

On General Damages

In pure debt recovery matters, general damages are usually not granted in large amounts in addition to interest, because interest already compensates for detention of the money.

“The claim for general damages is excessive in the circumstance of this case. However, considering the inconvenience suffered by the claimant, nominal general damages of ₦300,000.00 are awarded.”

On Cost of Litigation

Courts have discretion on costs.

“Cost follows events. I award cost assessed at ₦500,000.00 in favour of the claimant.”

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 ₦2,160,000.00 (Two Million, One Hundred and Sixty Thousand Naira) only, being outstanding indebtedness arising from the loan transaction between the parties entered into on the 24th November, 2024.
2. That Principal loan sum of N300,000.00 (Three Hundred Thousand Naira) only. be paid to the claimant by the defendant.
3. That the defendant shall pay general damages assessed at ₦300,000.00 (Three Hundred Thousand Naira) only.
4. That the defendant shall pay the Cost of this action assessed at ₦500,000.00. (Five Hundred Thousand Naira) only.
5. That the judgment sum shall attract post-judgment interest at the rate of 10% per annum from today until final liquidation of the judgement sum.

This is the judgment of the Court.

MRS. BARIYAAH. H. ABE
Chief Magistrate
26th May, 2026.

