

IN THE PRINCIPAL DISTRICT COURT OF BAUCHI STATE OF NIGERIA
IN THE SMALL CLAIMS COURT NO. 1 OF BAUCHI STATE
HOLDEN AT BAUCHI.

ON WEDNESDAY THE 04TH DAY OF MARCH, 2026

BEFORE HIS HONOUR

ABDULMUMINI ADAMU ESQ., (PRINCIPAL DISTRICT JUDGE I)

COURT CLERK:

ABDULSALAM ABDULLAHI

CLAIM NO: SCCBH/162/2025

BETWEEN:

IKECHUKWU ARINZE CLAIMANT

AND

GODIYA BALA DEFENDANT

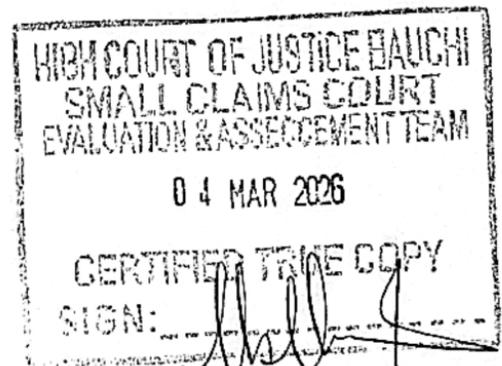
Claimant: present

Defendant: absent

Appearance:

Kinsley Gabriel esq.,: for the Claimant.

H. M. Muezzudden Esq., : for the defendant.



JUDGMENT

BRIEF FACTS OF THE CASE

The claimant filed this suit against the defendant claiming for the sum of **Two Million, One Hundred Thousand Naira (N 2,100,000:00) only**. The claimant also demanded against the defendant for the sum **Fifty Thousand Naira (N 50,000:00) only** as cost of this action and the sum of **Four Thousand, Five Hundred Naira (4,500:00) only** as cost of filing this suit. The defendant was personally served with all requisite processes in this suit namely, the letter of demand, complaint form and summons as provided in **Form SCA 1, 2 and 3** respectively as deposed to the affidavit of service by the court's official in person of Abdulsalam Abdullahi as provided in **Form SCA 6 dated 03rd December, 2025**.

The defendant filled and filed the requisite Form for Admission, Defence and Counter Claim as provided in **Form SCA 5** dated 19th day of December, 2025 which he denied the entire claimant's claims.

The matter proceeded to hearing for the claimant to proof his claim as required by the law. The learned counsel for the claimant *Kinsley Gabriel Esq.*, applied to amend the claimant's claim to include the sum of **Three Hundred and Fifty Thousand Naira (N 350, 000:00) only** being the solicitor's fee which the claimant engaged the services of a law firm to prosecute this case for him. The learned counsel for the defendant **H. M. Muezzudden Esq.**, applied for date to respond to the application. The matter was adjourned to enable the counsel to respond. However, the learned counsel for the defendant failed to respond to the said application throughout the proceedings. Both parties presented themselves as their respective witnesses in this suit.

Both learned counsel adopted their written addresses as their oral arguments and submissions hence the matter was adjourned for judgment.

THE EVIDENCE LED BY THE CLAIMANT.

The claimant as Cw 1 testified to the effect the defendant collected the sum of **One Million, Five Hundred Thousand Naira (N 1,500,000:00) only** on 26th day of September, 2025. The parties agreed that the defendant would be paying 20% interest which is the sum of **Three Hundred Thousand Naira (N 300,000:00) only** every month. The interest calculated on the money as at the time of filing this suit was for three months.

This witness also tendered two set of documentary evidence. The loan agreement which was signed by both parties and their witnesses and the cash receipt issued by *M. O Nwoye & Partners* bearing the claimant's name dated 03rd November, 2025. The learned counsel for the defendant objected to the admissibility of all the documents in evidence and reserved the grounds of his objection until at the final address. This Honourable Court received all the documents in evidence and marked as exhibit "A" and "B" respectively subject to the objection made by the learned counsel for the defendant.

Under cross examination, this witness stated that, he is not a registered money lender. The defendant consented to the claimant to sell her house in the event she defaulted to repay the loan. The issue of interest on the loan was not captured in the agreement (exhibit "A"). He paid the legal fee in cash to the law firm and he was issued with receipt (exhibit "B") and he signed same. He does not know who actually signed the other column for the chambers.

THE EVIDENCE LED BY THE DEFENDANT.

The learned counsel for the defendant led the defendant who testified as Dw 1. She stated in her examination in chief that she collected the loan from the defendant for the sum of **One Million, Five Hundred Thousand Naira (N 1,500,000:00) only**. She deposited the title document of her house as the security for the loan.

They agreed with the claimant that upon the repayment of the loan, she would add something or some amount in addition to the principal sum. She was not paid for the contract she used the claimant's money as expected. She intimated the claimant that she would pay whole sum at the end of February, 2026 as she would get money from contributions arrangement. The claimant rejected her proposal and insisted on his money which he filed this suit.

Under cross examination, this witness stated that she has been collected money from the claimant. She used to repay the principal with interest on top of it. The agreement was reduced into writing and she was requested and signed it as well as her witnesses *Hauwa and Ibrahim*. The learned counsel for the claimant also tendered a document titled "application for loan". This Honourable Court admitted same in evidence and it was levelled and marked as exhibit "C". This witness stated that exhibit "C" is not her handwriting but she signed it. They do not agree with the claimant that the duration for the repayment of the loan is one month. They do not also agree that her arrangement for the contribution is a means to liquidate the loan.

ARGUMENTS AND SUBMISSION OF BOTH LEARED COUNSEL

The learned counsel for the defendant submitted that the claimant being a not registered money lender cannot give out with interest. He cited the Supreme Court decision in the case of *Uzoukwu v Idika (2022) 3 NWLR (Part 1818)*. He also cited the provision of Section 1 of the Money Lenders Law. He urged this Honourable Court to disregard the claimant's claim as regard to the interest since a court of law would not enforce an illegal contract as in the instant case.

The learned counsel for the defendant also argued and submitted that a court of law does not award legal fees against adverse party. He cited the case of *S.P.D.C.N v Okeh (2018) 17 NWLR (Part 1649) page 420, Suffolk Pet Services Ltd., v Adnan Mansor (Nig) Ltd., (2019) 2 NWLR (Part 1655) Page 1 (CA)*. The learned counsel submitted that there is no legal basis for the claimant in this suit to demand the payment of legal fees he paid his lawyer against the defendant. The learned counsel

further argued that even if the claimant is entitled to claim legal fees, he failed to supply the relevant and sufficient particulars to be entitled to the relief. The claimant while testified failed to state how and whom he specifically gave the money. The law firm though a corporate body, it has no legal personality. He urged this Honourable Court to discountenance the claim for the legal fees paid to the lawyer as part of the claimant's claims in this suit.

On the other hand, the learned counsel for the claimant argued and submitted that failure of the defence counsel to cross examine Cw 1 on material facts deemed admitted. That exhibit "'A' is the agreement reached by the parties and the claimant is entitled to pay the interest as agreed. He cited the case *Int'l Offshore Construction Ltd. v Shoreline Lift boats Nig. Ltd.*, (2003) 16 NWLR (Part 845) Page 157 at 178 Paras D-G and *Mater Holdings Nig. Ltd., v Okefeina* (2011) 6 NWLR (Part 1244) Page 514 at 533 Paras C-D where the court held as follows:

The basis for award of interest could be the fact that the claimant has been kept out of his money for a period and that the defendant who had use of the money for himself ought to compensate the claimant for the deprivation.

The learned counsel for the claimant submitted that the claimant is entitled to post judgement interest as the claimant was deprived of his money for period of six months. He urged this Honourable Court to award 10% post judgement interest in favour of the claimant from November, 2025 when this suit was filed.

The learned counsel for the claimant further argued and submitted that a successful party in litigation is entitled to cost. The law is trite that cost follow event unless there are special reasons for depriving a successful party his entitlement. He cited the case of *Akinbobola v Plisson Fisko (Nig) Ltd. & Ors* (1991) LPELR-343 (SC).

The learned counsel for the claimant also submitted that claim for professional fees fall within special damages. He cited the case of *FCMB v Asas Ma'aji & Motorcycle (Nig.) Ltd & Anr.* (2021) LPELR-56525 (CA) where the court held thus:

..... counsel's fee fall into the category of special damages which ought to be specifically pleaded and proved with supporting documentary evidence like payment receipt.....

The learned counsel for the claimant submitted that civil matters are decided on the preponderance of evidence. The claimant proved his claims as required by the law and he is entitled to all the reliefs sought as pleaded. He cited the case of *Wachukwu v Owunwanne* (2011) Vol. 25 WRN Page 1 at 9 Ratio 6.

The learned counsel for the claimant also submitted that the case of *Uzouckwu v Idika* (supra) cited by the learned counsel for the defendant is distinguishable with this suit. There was no evidence before this Honourable Court that the sole business of the claimant is money lending and neither did the defendant so establish that the sole business of the claimant is money lending. The claimant is exempted from the category of firm or persons who are required to possess licence in order to lend money. He referred this Honourable Court to **Section 13 (1)(h) of the Money Lending Act, 1938.**

The learned counsel for the claimant further submitted that since the main business of the claimant is not money lending, the claimant is entitled to charge interest and exempted from the requirement of licence. He referred this Honourable Court to the case of *Kori & Anr. v Yusuf* (2019) LPELR-49464 (CA) where it was held thus:

The Money Lenders Act and its requirement for licence only apply to persons who engage in lending money for interest as a business, and not to persons who occasionally advance money to friends or even other persons to assist their business, even if they charge interest on the monies so lend.

The above position of the law was approved by the apex court in the case of *Chidoka v First City Finance Co. Ltd* (2013) 5 NWLR (Part 1346) 144 at 162

The learned counsel for the claimant submitted that the evidence before this court was that the claimant loaned the money to the defendant to support her business. The defendant agreed to pay interest, the arguments made by the learned counsel for defendant cannot help the defendant and urged this Honourable Court to so hold.

The learned counsel for the claimant submitted that the cases cited by the learned counsel for the defendant are not latest in time to the case of *FCMB v Asas Ma'aji & Motorcycle (Nig.) Ltd & Anr (2021)LPELR-56525 (CA)*. The latest decision provided for the propriety of a successful party to claim legal fees from the adverse party. The claimant have pleaded and proved the payment of legal fees to the law firm of **M.O Nwoye & Partners**. The only person that can contend that such payment was not made by the claimant is the law firm itself and no one else. The argument of the learned counsel for the defendant as regard to the legal personality of a law firm was misconstrued. The law firm cannot be registered as a company but possesses the legal capacity to sue and be sued. He urged this Honourable Court to hold that the claimant has proved his case to be entitled to all the reliefs sought.

APPLICABLE LAW

I have carefully considered the content of the letter of demand, the complaint and summons filed in this suit as provided in **Form SCA 1, 2 and 3** respectively. I also considered the evidence adduced by the claimant as Cw 1 as well as the defendant as Dw 1 in this matter. It is the opinion of this Honourable Court that there is a sole issue for determination in this suit as follow:

“Whether the claimant made out a case against the defendant supported by credible evidence to be entitled to the reliefs sought”.

The Supreme Court of Nigeria defined the term “liquidated money demand or liquidated sum” in the case of *Akpan v Akwa Ibom Property & Investment Company Ltd.*, (2013) LPELR-20753 (SC), (2013) 12 NWLR (Part 1368) 377 at 400 as follows:

Liquidated money demand or liquidated sum means a debt or other specific sum of money usually due and payable, which amount must have already been as ascertain or capable of being ascertained as a mere matter of arithmetic without any other further investigation. Therefore, whenever the amount being claimed by the claimant can be

ascertained by calculation or fixed by any scale of charges or other positive data, it is said to be liquidated.

The position of the law is trite that civil matters are generally decided on the preponderance of evidence as rightly submitted by the learned counsel for the claimant. The claimant applied to amend his claim to include the sum of **Three Hundred and Fifty Thousand Naira (N 350,000:00)** for the legal fees which the claimant engaged the service of counsel to prosecute this case. The learned counsel for the defendant was given ample opportunity to respond to the application but he failed to do so throughout the hearing. In the case of *C.G.G. (Nig) Ltd., v Idorenyin* (2015) 13 NWLR (Part 1475) Page 149 at 151 R 1(SC), the apex court of Nigeria held thus:

The wide and extensive powers of amendment vest in courts are designed to prevent failure of the justice due to procedural errors. The powers are intended to make more effective the functions of the courts to determine the true substantive merit of the case, to have more regard to substance than the form and thus to free the parties from technicalities or formalities of procedure and to correct errors and defects in the proceeding.

Considering the above cited case, the application made by the learned counsel to amend his claim to include the legal fees for the lawyer engaged by the claimant is hereby granted as prayed.

The provision of **Money Lenders Law of Bauchi State CAP 96 Laws of Bauchi state 2007** is the relevant law to determine who is a money lender and who is entitled to give loan of money with interest. The provision of **Section 2** of the said law defined Money Lender as follows:

Money lender includes every person whose business is that of money lending or who carries on or advertises or announces himself or holds himself out in any way as carrying on that business, whether or not he also possesses or owns property or money derived from

sources other than the lending of money and whether or not he carries on the business as principal or as an agent; but does not include-

(c) any person bono fide carrying on the business of banking or insurance or bono fide carrying on any business, not having its primary object the lending of money, in the course of which and for the purpose whereof he lends money.

The provision of Section 13 of the same law also provided as follows:

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

The above position of the law clearly exempted the claimant in this suit to be regarded as a money lender with the requirements of registration and obtaining licence before he give out loan of money. The provision of Section 13 clearly authorised persons not money lenders to charge interest on the loans.

FINDINGS AND DECISION

In light of the apex court decision in the case of *Akpan v Akwa Ibom Property & Investment Company Ltd.,(supra cited)*, the nature of the claimant's claim is for liquidated sum of money being a debt on the defendant and I so hold. The defendant as Dw 1 stated to have collected loan of **One Million, Five Hundred Thousand Naira (N 1,500,000:00) only** from claimant in this suit. This amounts to an admission that does not required proof as provided in **Section 123 of the Evidence Act, 2023** and I so hold.

I carefully observed the demeanour of the claimant under cross examination while he testified as Cw 1 on how exhibit "A" came into being. The claimant failed to demonstrate in his evidence that the agreement executed in exhibit "A" was with full knowledge of the defendant as to the agreed 20% payable interest. In fact he had difficulty to narrate how exhibit "A" was drafted and executed as a unanimous decision reached by the parties in this suit. In the circumstance of this suit, it is the

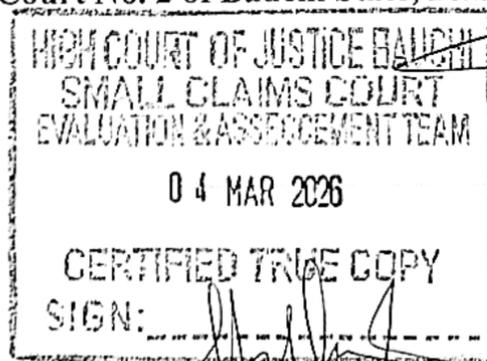
finding of this Honourable Court that exhibit "A" lacks the requisites probative value. The claimant is not therefore entitled to any accrued interest on the principal sum loaned to the defendant as captured in exhibit "A" and I so hold.

The claimant pleaded for the amount he paid to his counsel as legal fees to prosecute this case on his behalf and also proved same in exhibit "B". I agreed with the submission made by the learned counsel for the claimant that the latest position of the law is that a successful party is entitled to claim for legal fees as special damages. In the light of the decision of the Court of Appeal in the case *FCMB v Asas Ma'aji & Motorcycle (Nig.) Ltd & Anr (Supra)*, the claimant in suit is entitled to the legal fees as proved in exhibit "B" and I so hold.

This Honourable Court hereby entered a judgment in favour of the claimant with the following orders:

1. The defendant shall pay the claimant the sum of **One Million, Five Hundred Thousand Naira (N 1,500,000:00) only**, being the debt collected from the claimant which was not refunded.
2. The defendant shall pay the claimant special damages, the sum of **Three Hundred and Fifty Thousand Naira (N 350,000:00)** for the legal fees the claimant engaged the service of counsel to prosecute this case.
3. The defendant shall pay the claimant the sum of **Four Thousand Five Hundred Naira (N 4,500:00)** as cost of filing this suit as contained in the official receipt.
4. The defendant shall also pay the claimant the sum **Thirty Thousand Naira (N 30,000:00) only** as cost of this action as endorsed in the summons.

There is right to appeal to High Court of Justice of Bauchi State within 14 days by any of the aggrieved party as provided in **Article 14 (2) of the Practice Direction on Small Claims Court No. 2 of Bauchi State, 2022.**



Abdulummini Adamu Esq.,
Principal District Judge I

04/03/2026