

## **Complaint**

Miss P has complained about a loan Oakbrook Finance Limited (trading as “Finio Loans”) provided to her. She says the loan was unaffordable and so shouldn’t have been provided.

## **Background**

Finio Loans provided Miss P with a loan for £1,000.00 in May 2024. This loan was due to be repaid in 12 monthly instalments of £111.15. One of our investigators reviewed what Miss P and Finio Loans had told us. And he didn’t recommend that Miss P’s complaint be upheld. Miss P disagreed and asked for an ombudsman to look at his complaint.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Miss P’s complaint.

Finio Loans needed to make sure that it didn’t lend irresponsibly. In practice, what this means is Finio Loans needed to carry out proportionate checks to be able to understand whether Miss P could afford to repay before providing this loan.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Finio Loans says it agreed to Miss P’s application after she provided details of her monthly income and some information on her expenditure. It says it cross-checked this against information on a credit search it carried out and all of this information showed Miss P could afford to make the repayments she was committing to. On the other hand, Miss P has said she shouldn’t have been lent to.

I’ve carefully thought about what Miss P and Finio Loans have said.

The first thing for me to say is that Finio Loans didn’t just simply accept what Miss P had told it. It carried out credit searches which showed that Miss P didn’t have any significant adverse information recorded against her such as defaults or County Court Judgments (“CCJ”). Furthermore, the checks suggested that Miss P hadn’t taken any recent payday lending either.

I note there has been some debate over whether Miss P having arrears that were only recently brought up to date affects whether Finio Loans should have lent here. However, even if I were to accept that further checks were necessary, which I'm not necessarily persuaded the relatively minor recent arrears rendered necessary, any such checks would only have gone as far as finding out more about Miss P's regular living costs.

Furthermore, despite having been given significant opportunity to do so, I've not been provided with anything to indicate that Miss P's actual living expenses significantly differed from the estimates that Finio Loans used. So I'm not persuaded that obtaining further information on Miss P's actual living costs would have seen Finio Loans make a different lending decision in this instance.

In reaching my conclusions, I've also considered whether the lending relationship between Finio Loans and Miss P might have been unfair to Miss P under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Finio Loans irresponsibly lent to Miss P or otherwise treated her unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Overall and having considered everything, I don't think that Finio Loans did anything wrong when deciding to lend to Miss P - it carried out proportionate checks and reasonably relied on what it found out which suggested the monthly repayments were affordable. And, in any event, I've not been provided with anything else that suggests Finio Loans doing even more, which on the face of things it didn't need to, would have prevented it from lending in this instance either.

As this is the case, I'm not upholding Miss P's complaint. I appreciate this will be very disappointing for Miss P. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Miss P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 18 August 2025.

Jeshen Narayanan  
**Ombudsman**