

The complaint

Mr N complains Oakbrook Finance Limited trading as Likely Loans (Oakbrook) irresponsibly lent to him.

What happened

Oakbrook provided Mr N with a single loan in December 2019. The loan was for £1,500 and it was due to be repaid through 12 monthly repayments of £173.95. The total amount to be repaid by the end of the loan term, including interest, was £2,087.40.

In or around April 2025 Mr N complained to Oakbrook about its decision to lend.

In April 2025 Oakbrook issued its final response in which it upheld the complaint. In doing so, it proposed to remove all applicable interest from the loan, as well as remove all historic negative markers from [Mr N's] credit report.

Unhappy with this, Mr N referred the complaint to our service. In doing so, Mr N said he would like *a compensation payment made directly to [him and] the current remaining part of the loan written off.*

One of our investigators reviewed Mr N's complaint and, having done so, concluded Oakbrook's proposed resolution was in-line with the approach our service adopts in cases like this. Therefore, the investigator didn't think Oakbrook needed to do anything differently.

Mr N did not agree. As an agreement couldn't be reached, the complaint was passed to me to review afresh.

What I've decided – and why

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

As set out above, in response to Mr N's complaint, Oakbrook accepted it should not have lent to him. So, I need not comment further on the lending decision as that is not in dispute.

What remains in dispute is how Oakbrook should put things right. In particular, whether the remaining debt should be written off and/or whether Mr N should receive compensation. I don't find there are grounds to do so in this case. I'll explain why.

Our well-established approach (available on our website) when upholding cases like this is to direct the lender to remove the interest and charges applied to the lending so a new starting balance consisting of only the amount lent is left. The lender should then deduct any payments the borrower made and, only if this results in the borrower having paid more than the amount lent, should overpayments be refunded along with associated interest. The lender should also remove any adverse information regarding the lending from a borrower's credit file.

Oakbrook has removed all interest applied to the loan (no charges were applied) and, having deducted payments made towards the account, an outstanding balance remains. So, no refund is due. Further, it has agreed to remove any adverse information pertaining to this agreement from Mr N's credit file. Therefore, I am satisfied the steps Oakbrook has agreed to take in response to Mr N's complaint is in-line with this well-established approach.

There could be circumstances under which I would direct a lender to go further – for example by writing off the full balance of the debt - to restore fairness. But those circumstances would be rare and exceptional.

I've thought about what Mr N has told us, and I do have sympathy for his position. I can understand why he wants the outstanding balance written off (and his liability for the lending to be ended) and/or compensation. But, in the circumstances of this complaint, I do not think there is sufficiently persuasive evidence to lead me to depart from our well-established approach.

After all, Mr N has had the use of the funds which he wouldn't have done had he not applied for the loan and had it not been (albeit irresponsibly) granted. And I think it is fair that this be repaid. I am not persuaded that additional steps – such as debt write-off or a compensation award – would be appropriate in this case.

I appreciate this decision will come as a disappointment to Mr N and I want to assure him that I've listened to his concerns. But on this occasion, I think the offer made by Oakbrook to resolve the complaint is fair and reasonable. So, I won't be asking it to do anything further.

In reaching my conclusions, I've also considered whether the lending relationship between Oakbrook and Mr N might have been unfair to Mr N under section 140A of the Consumer Credit Act 1974.

However, I'm satisfied that the steps Oakbrook has agreed to take results in fair compensation for Mr N given the overall circumstances of his complaint. For the reasons I've explained, I'm also satisfied that, based on what I've seen, no additional award is appropriate in this case

As I understand it, Oakbrook has not yet completed the settlement as set out in its final response (i.e. to rework Mr N's loan account to remove all interest and charges and remove any related adverse data from his credit file) because it is awaiting Mr N's confirmation of acceptance. With that being the case, Mr N would need to contact Oakbrook directly to complete the settlement, should he wish to do so.

Finally, I note in his submissions to our service Mr N has referred to concerns about the actions of the third party to whom the debt was sold which he says (alongside the actions of Oakbrook) is *causing [him] severe stress and is affecting [him] mentally every day*. Any concerns about the actions of the third party to whom the debt was sold sit outside of the scope of this decision. Any such concerns would need to be raised with the relevant business as a separate complaint.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 4 December 2025.

Ross Phillips

Ombudsman