

The complaint

Mr H complains that OAKBROOK FINANCE LIMITED trading as Oakbrook was irresponsible in its lending to him. He wants all interest and charges on his loan refunded along with 8% interest and any adverse information removed from his credit file. Mr H also wants compensation for the distress and inconvenience he has been caused.

What happened

Mr H was provided with three loans by Oakbrook the details of which are set out below.

Loan	Date	Amount	Term
1	December 2019	£500	12 months
2	August 2022	£1,000	12 months
3	June 2024	£1,000	12 months

Mr H said that adequate checks weren't carried out before the loans were approved and that had they been then Oakbrook would have seen that he was gambling and that providing him with credit wasn't responsible. He explained that he had taken out several other credit commitments in the months leading up to the loans and thought this should have prompted Oakbrook to undertake further checks regarding his financial situation. He said that Oakbrook's failure to carry out adequate checks has contributed to the deterioration of his financial position and overall wellbeing.

Oakbrook issued a final response to Mr H's complaint dated 10 June 2025. It upheld Mr H's complaint in regard to loan one, stating that more questions could have been asked before this loan was issued to ensure it was appropriate for Mr H. Regarding loans two and three, it didn't uphold Mr H's complaint. It said that based on its checks there was nothing to suggest these loans would be unaffordable for Mr H.

Mr H thought that his complaints about all three of his loans should have been upheld. He referred his complaint to this service.

As Oakbrook upheld Mr H's complaint in regard to his first loan, our investigator didn't consider this further and issued a view regarding loans two and three. They thought the checks Oakbrook carried out before these loans were issued were proportionate. As these suggested the loans would be affordable for Mr H, they didn't uphold this complaint.

Mr H asked if his gambling transactions had been considered in our investigator's view. He provided a copy of his credit report which he said showed other credit agreements entered into around the time the loans were given as well as a number of cash advances. He said his credit report showed he was near his limit on his credit facilities and that Oakbrook should have realised he was struggling financially. He said that further checks should have

happened and that these would have shown his gambling transactions and highlighted that he may be vulnerable. Mr H asked that his credit report and bank statements be reviewed and said there were other decisions issued by this service with similarities to his case that had been upheld.

Our investigator reiterated that they thought the information Oakbrook gained didn't mean that further checks were needed. They did consider the copy of the credit file Mr H submitted and said that the balances for Mr H's revolving and non-revolving credit matched the information Oakbrook had relied on. They noted that the credit checks Oakbrook provided didn't record when the credit commitments were entered into or the limits on the revolving credit or the cash advances. However, they explained that it wasn't our role to comment on the lending criteria but instead consider whether the checks were reasonable and, in this case, they found that they were.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman to issue a decision.

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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

I note Mr H's comments about the outcomes on other complaints which he considers to have similarities to his complaint and his comment about consistency of outcomes, but I want to explain that every complaint is assessed based on its individual merits. I can assure Mr H that in considering his complaint I have taken relevant rules, regulations and guidance into account but that my decision is based on what I consider fair and reasonable based on the circumstances of his complaint and the evidence provided.

This decision relates to the second and third loan provided to Mr H by Oakbrook (as the complaint about the first loan has been settled). I have considered each lending decision separately.

Loan two: August 2022

Mr H was provided with a £1,000 loan requiring monthly repayments of around £108. As this was Mr H's second loan from Oakbrook, Oakbrook had information about how he had managed his previous account. Looking at the statement of account for loan one, Mr H did miss some payments, but the account was always brought up to date and the loan was settled in January 2021. Given the second loan wasn't applied for until August 2022, I do not think this suggested a reliance on the Oakbrook loans and based on the previous account management, I do not think this was such that further credit shouldn't have been given.

Before loan two was given, Oakbrook asked Mr H about his income and residential status. Mr H declared his annual income as £35,000 and that he was a tenant. Oakbrook explained that as it wasn't able to verify Mr H's income using current account turnover or open banking

data it requested a copy of his payslip. This supported Mr H's declared income. A credit check was undertaken which showed Mr H had around £9,900 of debt and monthly credit commitments of around £423. He had no defaults or county court judgements recorded and his accounts were up to date. Oakbrook's affordability calculations showed Mr H would have around £863 of disposable income after the Oakbrook loan repayments.

Noting the size of the loan and the repayments compared to Mr H's income, that his income was verified, and his credit file didn't raise concerns, I think the checks carried out before this loan was issued were proportionate. However, just because I think reasonable checks were undertaken, it doesn't necessarily mean that I think the loan should have been given. To assess that I have considered the outcome of Oakbrook's checks to see if these raised concerns that meant further information should have been gathered or the loan not provided.

Mr H's payslip supported the income he had declared and so I find it reasonable that the net monthly income figure of £2,295 was used in the affordability assessment. Mr H's credit report showed he had total debt of around £9,900 consisting of revolving credit of £2,926 and non-revolving credit of £6,898. There were no payday loans reported and no adverse data in regard to his active accounts. I do not think this level of debt suggested Mr H was overindebted.

I note Mr H's comment about the timing of him taking out other credit. The results provided by Oakbrook do not include this data, but I have looked at Mr H's credit report and this shows that within the six months prior to this application Mr H had taken out two loans, one for around £250 (March 2022) and one for around £1,000 (May 2022). However, noting the size of the additional borrowing Mr H had secured and as there was no suggestion that he was struggling to manage this credit, I do not find that this information means the Oakbrook loan shouldn't have been given. I note Mr H's other comments about the data in his credit file and bank statements but in this case, as I think the checks carried out were proportionate, I think it fair that Oakbrook relied on the outcome of its checks.

Oakbrook used third party data to estimate Mr H's living costs and given the loan size and other information received I find this reasonable. Deducting Mr H's credit commitments (including the Oakbrook loan repayments) and living costs (including housing costs) from Mr H's net monthly income left him with disposable income of around £863. Based on this, I do not find that Oakbrook should have considered this loan to be unaffordable for Mr H.

Loan three: June 2024

Mr H was provided with a £1,000 loan requiring monthly repayments of around £105. This loan was the third Oakbrook had provided. Mr H made two of his contractual repayments on loan two and then settled it early in November 2022. Based on this and noting the timing of this application, I do not think his previous account management should have raised concerns.

Before loan three was provided, Oakbrook asked Mr H about his income and residential status. Mr H declared his annual income as £36,250 and that he was a tenant. Oakbrook verified Mr H's income using current account turnover data and so further proof of income such as a payslip wasn't requested in this case. A credit check was undertaken which showed Mr H had around £8,900 of debt and monthly credit commitments of around £654. He had no defaults or county court judgements recorded, and his accounts were up to date. Oakbrook's affordability calculations showed Mr H would have around £334 of disposable income after the Oakbrook loan repayments and including an inflation buffer.

Noting the size of the loan and the repayments compared to Mr H's income and as his credit file didn't raise concerns, I think the checks carried out before this loan was issued were

proportionate. However, just because I think reasonable checks were undertaken, it doesn't necessarily mean that I think the loan should have been given. To assess that I have considered the outcome of Oakbrook's checks to see if these raised concerns that meant further information should have been gathered or the loan not provided.

Mr H declared an annual income of £36,250 and a net monthly figure of £2,123 was included in Oakbrook's affordability assessment. Mr H's income was verified using account turnover data and I can see that Mr H's declared income for this loan was in line with his previously declared income. While I think Oakbrook's income check was proportionate, I note that Mr H's account statements for the months leading up to the loan show a regular income slightly higher than the amount Oakbrook used (around £2,400).

Mr H's credit report showed his total debts had reduced since his previous loan application, and with total debt around £8,900 I do not think this should have raised concerns that he was over indebted. Mr H was managing his commitments without any obvious issues and so I think it reasonable that the credit checks were relied on without further questions being asked. Mr H's repayments for existing credit commitments were identified as £654 which appears reasonable based on the credit file data. Deducting this cost along with Mr H's living and housing costs, the Oakbrook loan repayments and an inflation buffer left disposable income of around £334. Noting the costs include in the assessment, I find this reasonable, and I do not think it should have raised concerns that the loan wouldn't be affordable for Mr H.

Mr H has explained that he was gambling at the time of the loan applications. I can see this from the bank statements he has provided. However, as I do not think that Oakbrook was required to request bank statements in this case, and I have nothing to show that Mr H alerted Oakbrook at the time to his gambling, I do not find it should have been reasonably aware of this.

So, for the reasons set out above, I do not find I can uphold this complaint.

I've also considered whether Oakbrook acted unfairly or unreasonably in some other way given what Mr H has complained about, including whether their relationship with Mr H might have been unfair under s.140A Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Oakbrook lent irresponsibly to Mr H or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 December 2025.

Jane Archer
Ombudsman