

The complaint

Miss V complains that Oakbrook Finance Limited (Oakbrook) irresponsibly provided her with two loans.

What happened

Oakbrook provided Miss V with two loans, as follows:

Date	Loan amount	Period	Monthly repayment
November 2021	£2,000 (Loan 1)	24 months	£112.15
March 2024	£5,000 (Loan 2)	24 months	£323.99

In summary, Miss V considers that Oakbrook lent to her irresponsibly because its affordability assessments had been insufficient. Miss V felt that Oakbrook should have reviewed her actual banking activity before making the loans. Her complaint was rejected by Oakbrook because it considered that its affordability assessments and lending decisions had been appropriate.

Miss V remained unhappy and brought her complaint to this service. One of our investigators reviewed matters and considered that Oakbrook's lending had not been irresponsible.

Whilst Oakbrook agreed with our investigator's view, Miss V didn't. As an agreement has not been reached, the complaint has been passed to me to make 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.

I've looked at all of the information on file, although I may not have commented on everything.

The rules and regulations in place at the time Miss V was provided with the loans, required Oakbrook to carry out reasonable and proportionate assessments of whether she could afford to repay what she owed in a sustainable manner. These are sometimes referred to as 'affordability assessments' or 'affordability checks'.

The rules lenders must follow are set out by the industry regulator, the Financial Conduct Authority, in its Consumer Credit Sourcebook (CONC).

CONC 5.2A sets out the expectations on lenders performing a creditworthiness assessment. Lenders must satisfy themselves that the borrower will be able to meet the repayments as they fall due (CONC 5.2A.12). CONC 5.2A.15 – 19 deal with the data lenders can use when assessing income and expenditure. CONC 5.2A.19 says a lender may *"take into account statistical data unless it knows or has reasonable cause to suspect that the customer's non-discretionary expenditure is significantly higher than that described in the data or that the data are unlikely to be reasonably representative of the customer's situation."* There is no

general obligation on a lender to review an applicant's bank statements as part of the assessment.

The checks had to be 'borrower' focused. This means Oakbrook had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Miss V. In other words, it wasn't enough for Oakbrook to consider the likelihood of it getting the funds back – it had to consider the impact of any repayments on Miss V.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Oakbrook did what it needed to before arranging the loans for Miss V.

Loan 1

When Miss V applied for this loan she declared that her annual income was £50,000. As Oakbrook couldn't verify this through Open Banking, it obtained a payslip from Miss V. This showed that her net income was £2,005. It then went on to carry out both a credit check and an affordability assessment. In relation to the former, this showed that Miss V had some existing debt commitments including some default repayments. Her total indebtedness at that time was around £2,600. The credit check also showed that it had been over 12 months since Miss V had defaulted and she had no County Court Judgments (CCJs) against her.

In relation to Oakbrook's affordability assessment, it is fair to say that it did not solely rely upon the information provided by Miss V. Based upon the contents of its credit check, Oakbrook estimated the monthly cost of her existing credit commitments. It also estimated her living expenses based upon Office of National Statistics (ONS) data. Based upon this, Oakbrook estimated that Miss V had around £630 of disposable monthly income after taking account the cost of the instalments of repaying Loan 1.

I believe the checks Oakbrook carried out were reasonable and proportionate and in line with its obligations under CONC. I've seen nothing which makes me think it ought to have done more such as looking at Miss V's bank statements. I think it reached a fair decision to lend.

Loan 2

When Miss V applied for Loan 2, she stated that her annual income was £60,000. Again, Oakbrook sought to verify this and, in this instance, used information sourced from HM Revenue & Customs. This showed that Miss V's net monthly income was around £2,800. The credit check similarly showed that Miss V had some existing debt commitments including some default repayments. Loan 1 had been repaid and her total indebtedness had now reduced to around £2,300. It had been 40 months since Miss V had experienced a default and, as above, there were no CCJs.

Oakbrook's affordability assessment followed similar lines to the one described above. Its estimate of Miss V's disposable monthly income was around £1,020 when taking account of the instalments that would be due under Loan 2 and an 'inflation buffer' of just under £100.

Again, I think that the checks carried out by Oakbrook were reasonable and proportionate. I don't think its decision to lend to Miss V was unfair. For the same reasons as I've set out above, I don't think it was necessary for Oakbrook to review Miss V's bank statements. I

think the checks that it carried out were sufficient in the circumstances and it reached a fair decision to lend.

In correspondence with us, Miss V has also highlighted that, at around the time she applied for Loan 2, she was carrying out repeated gambling transactions. I'm grateful to Miss V for sharing this with us. Miss V also points out that she was in financial difficulty at this time. She's provided her bank statements to us to demonstrate this.

I can see the gambling transactions Miss V is referring to and I accept that she was spending in a harmful way. I can also see that she was overdrawn. However, as I've already said, there was no obligation on Oakbrook to review her bank statements, so I can't reasonably say that it ought to have known about her gambling unless she told it. I've seen nothing which suggests she did so.

Oakbrook told us that Miss V made contact in June 2024 as her financial situation had deteriorated. I can also see this reflected in the credit report of May 2025 that she provided to us. Miss V has also highlighted that the existence of a default on her credit file is currently causing her problems. Whilst I accept that her situation has since worsened, this doesn't change my view that I think Oakbrook acted reasonably at the time it made the loans. However, I would encourage Miss V to maintain contact with her lenders regarding the difficulties she's experiencing including the impact that the default on Loan 2 is having on her situation more broadly.

Therefore, whilst I know this won't be the outcome Miss V is hoping for, I don't think Oakbrook acted unfairly or unreasonably when it provided her with the loans. It follows that I'm not upholding her complaint.

Finally, I've also considered whether the relationships might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Oakbrook lent irresponsibly to Miss V or otherwise treated her 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 don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 10 February 2026.

John Butler
Ombudsman