

## The complaint

Mr J has complained that Oakbrook Finance Limited were irresponsible in providing him with four loans, between December 2022 and June 2025.

## What happened

Oakbrook provided Mr J with the following loans:

	Loan amount	Date	Monthly repayments	Term (months)	Status
Loan one	£2,000.00	December 2022	£104.51	36	Closed February 2024
Loan two	£2,320.92	February 2024	£150.92	24	Closed November 2024
Loan three	£4,001.11	November 2024	£222.70	30	Closed June 2025
Loan four	£4,832.66	June 2025	£262.71	30	Open

Mr J says the lending decisions were irresponsible. He says the checks carried out were insufficient and a more thorough check would have revealed that the required repayments were unaffordable.

Oakbrook reviewed Mr J's complaint and didn't uphold it. Oakbrook were satisfied that appropriate checks were carried out prior to approving each application. They felt that there was no indication that the repayments were unaffordable.

An investigator then reviewed the merits of Mr J's complaint but didn't think Oakbrook had lent irresponsibly.

Mr J disagreed and because an agreement couldn't be reached, he asked for an Ombudsman to review all the facts and decide.

## 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.

Having done so, I'm not upholding this complaint. I know this will disappoint Mr J, so I will explain why.

The rules and regulations in place at the time Oakbrook provided Mr J with the loans required them to carry out reasonable and proportionate assessments of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

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

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 they needed to before providing the loans.

Oakbrook used information declared by Mr J in his applications and they did credit reference agency (CRA) checks to help them decide whether the loans were affordable for Mr J.

#### *Loan one.*

Mr J declared an annual income of £28,000 which Oakbrook verified to represent around £1,800 net monthly income, from a payslip he had supplied.

The CRA information showed minimal existing debt, with no current adverse markers. Five previous defaults were recorded, the most recent being nearly three years before this application.

Mr J didn't declare any other expenditure, so Oakbrook estimated housing costs and living expenses. This demonstrated to them, that Mr J would be able to afford the repayments for this loan, with a remaining disposable income of over £750.

On this basis, Oakbrook considered the checks to have been proportionate and approved the loan.

As Mr J's existing debt was minimal, and the previous defaults were nearly three years ago, I don't think Oakbrook needed to do anything else.

#### *Loan two.*

Oakbrook took a similar approach to that described above. Mr J's verified monthly income had increased to around £2,000.

Oakbrook's calculation resulted in an estimated remaining disposable income of just under £1,000.

His CRA file showed total existing debt to be around £2,350, but £1,576 of it was to be repaid from the proceeds of this loan. That is, in taking out loan two, Mr J was settling loan one and 'topping up'. His credit card balance was just under £800.

The CRA report did show Mr J had one missed or late payment within the last six months, but no additional defaults from those identified in the first application.

As the most recent default was nearly four years ago, and with affordability calculations appearing very positive, I think Oakbrook made a fair decision to lend without further checks, despite this one late payment. I say this having also considered that this loan is only increasing Mr J's total indebtedness by around £750.

#### *Loan three.*

Oakbrook took a similar approach to that described above but verified Mr J's income using current account turnover data, which is information supplied by a CRA based on the amounts going through a customer's bank account.

Oakbrook's calculations again estimated a remaining disposable income of around £1,000.

The CRA reports showed no recent missed payments or defaults. The total existing debt was around £2,600, of which £1,785 was to be repaid from the proceeds of loan three. His credit card debt was similar to the previous report, just under £800.

This loan increased Mr J's total debt by around £2,200 to just under £3,000. As above, the affordability calculations are positive and with no new adverse credit indicators, I think this decision was also fair.

#### *Loan four.*

A similar approach was taken by Oakbrook to when they assessed loan three, with similar results on affordability and no new adverse indicators from the CRA checks.

As with loans two and three, this loan was in part to be used to settle the previous loan. So whilst this loan was for around £4,800, the total indebtedness was increasing by just over £1,200 to around £5,600, with Mr J's credit card balance again remaining stable.

In reaching my decision, I have considered all of the above, not just as individual lending decisions, but also thinking about the overall increase in debt over the period in full.

During this period, around two and a half years, Mr J's indebtedness increased from a very low starting point to around £5,600. However with his regular income and largely positive recent credit history, I am not persuaded that Oakbrook needed to perform further checks into affordability and I don't consider they lent irresponsibly.

In his correspondence with this service, Mr J has been very open about his challenges and current financial difficulties and I'd like to thank him for his openness. Ultimately however, from the information available to Oakbrook on each occasion, I am comfortable there was nothing yet evident with regards to financial difficulty, that should have prevented them from proceeding with the loan as described, or that would have required them to perform further proportionate checks.

In reaching my conclusions, I've also considered whether the lending relationship between Mr J and Oakbrook might have been unfair to Mr J under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Oakbrook did not lend irresponsibly when providing Mr J with the loans, or otherwise treated him unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A of the CCA would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

It's my final decision that I don't uphold this complaint against Oakbrook Finance Limited, for the reasons explained above

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 2 March 2026.

David Barker  
**Ombudsman**