

The complaint

Mr B complains Oakbrook Finance Limited trading as Finio Loans irresponsibly lent to him.

What happened

Mr B took two loans with Finio Loans as follows:

Loan No.	Loan Amount	Agreement date	Repayment date	Term (months)	Monthly repayment	Total amount repayable
1	£2,000	October 2023	May 2024	24	£135.67	£3,256.08
2	£2,882.21	May 2024	May 2024 ¹	24	£203.15	£4,875.60

In June 2025, Mr B complained to Finio Loans about its decisions to lend.

In July 2025, Finio Loans issued its final response in which it did not uphold the complaint. In doing so, Finio Loans said that it had carried out sufficient checks prior to agreeing to lend and, having done so, it was satisfied the lending was affordable for Mr B.

Unhappy with this, Mr B referred his complaint to our service.

One of our investigators reviewed Mr B's complaint. The investigator issued their opinion in August 2025 in which they did not uphold the complaint. In doing so, the investigator said that Finio Loans completed reasonable and proportionate checks prior to agreeing to lend and the information it gathered as a result of those checks wouldn't have given it cause to refuse to lend.

Mr B did not agree with the investigator's findings.

As an agreement couldn't be reached, the complaint has been 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.

I've also had regard to the regulator's rules and guidance on responsible lending (set out in its consumer credit handbook – CONC) which lenders, such as Finio Loans, need to abide by. I won't set these out in detail here, but the Financial Ombudsman Service has set out its general approach to complaints about irresponsible and unaffordable lending on its website.

And, having taken all of this into account along with everything else I need to consider, I don't think it would be fair or reasonable to uphold this complaint. I recognise this will be

¹ The available evidence suggests Loan 2 was repaid 'three weeks' after it was incepted. I am unsure on the specific date but, as it is immaterial to the outcome I've reached, I have assumed it was repaid in May 2024 whilst acknowledging it may have been in June 2024.

disappointing for Mr B however, I hope my explanation helps him to understand why I've come to this conclusion.

Finio Loans needed to make sure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr B could repay the loan repayments when they fell due and without the need to borrow further.

These checks weren't prescriptive, but could take into account a number of different things such as how much was being lent, the repayment amounts and the consumer's income and expenditure.

So, in keeping with the information on the Financial Ombudsman Service's website, I think there are a number of overarching questions I need to consider when deciding a fair and reasonable outcome given the circumstances of this complaint:

1. Did Finio Loans carry out reasonable and proportionate checks to satisfy itself that Mr B was likely to have been able to repay the borrowing in a sustainable way?
 - i. If Finio Loans carried out such checks, did it lend to Mr B responsibly using the information it had?

Or
 - ii. If Finio Loans didn't carry out such checks, would appropriate checks have demonstrated that Mr B was unlikely to have been able to repay the borrowing in a sustainable way?
2. If relevant, did Mr B lose out as a result of Finio Loans' decision to lend to him?
3. Did Finio Loans act unfairly or unreasonably in some other way?

There are many factors that could be relevant when determining how detailed proportionate checks should have been. And while much will depend on the circumstances in question, the more obvious factors include – though aren't necessarily limited to:

- The type of credit Mr B was applying for along with the size, length and cost of the borrowing; and
- Mr B's financial circumstances – which included his financial history and outlook along with his situation as it was, including signs of vulnerability and/or financial difficulty.

And generally speaking, I think reasonable and proportionate checks ought to have been more thorough:

- The lower an applicant's income because it could be more difficult to make the repayments as a result;
- The higher the amount repayable because it could be more difficult to meet a higher repayment, especially from a lower level of income; and
- The longer the loan term, because the total cost of the credit was likely to have been greater given the longer time over which repayments have to be made.

As a result, the circumstances in which it was reasonable to conclude that a less detailed affordability assessment was proportionate strike me as being more likely to be limited to applicants whose financial situation was stable and whose borrowing was relatively insignificant and short-lived – especially in the early stages of a lending relationship.

I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Mr B's complaint.

Loan 1

Did Finio Loans carry out reasonable and proportionate checks?

Finio Loans has told us that, prior to agreeing to lend Loan 1, it asked Mr B to provide information about (amongst other things) his residential status, income, expenditure and the purpose of the loan.

Mr B declared he was living with parents with a gross annual income of £36,000. He declared 'housing costs' totalling £425 per month. Mr B also declared the purpose of the loan was for 'debt consolidation'.

It's not generally considered sufficient to solely rely on the consumers declared income. Indeed, CONC 5.2a.15(2) says: *The firm must take reasonable steps to determine the amount, or make a reasonable estimate, of the customer's current income.*

Finio Loans said it validated Mr B's income through a system generated current account turnover (CATO) check which averages receipts into his account across a period of time. And this check validated Mr B's declared income (it calculated this to equate to £2,345 per month). So, I'm satisfied that Finio Loans made reasonable steps to determine Mr B's income.

Finio Loans used Mr B's declared housing costs alongside living costs which it based on national statistics. To this, it added a buffer for inflation. Having done so, it calculated Mr B was committing about £1,026.73 towards his non-discretionary living costs.

CONC 5.2A.19(G)(1) says "*For the purpose of considering the customer's non-discretionary expenditure...the firm 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*".

I haven't seen anything to suggest that Finio Loans knew – or had reasonable cause to suspect – that Mr B's non-discretionary expenditure was higher than the data suggested or that it was likely to be representative of Mr B's situation. Therefore, I think Finio Loans acted reasonably by relying on this information (in conjunction with Mr B's declaration) when calculating his non-discretionary expenditure.

Finio Loans also carried out a credit check which provided it with information about Mr B's credit history and what he was paying to service his existing credit commitments. As a result, it calculated Mr B was spending about £670 towards his existing monthly credit commitments.

Deducting all of this from Mr B's income, it looked like he had about £648 disposable income per month before repayments towards the lending in question was taken into account. Once the monthly repayment for the lending in question (£135.67) is also deducted from this

figure, Mr B was left with £512.84. So, it seemed the lending was affordable on a simple pounds and pence basis.

This appears to have been Mr B's first loan with Finio Loans. As such, I don't think there was any established pattern in his borrowing needs, at least from Finio Loans, at that stage. What's more, the monthly repayments were not (in my view) substantial in relation to what Finio Loans understood to be Mr B's income.

In that context, I think Finio Loans proceeded with a proportionate amount of information.

However, once Lending Stream had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Mr B could afford to meet the loan repayments in a sustainable way over the term of the loan.

Did Finio Loans lend to Mr B responsibly using the information it had?

As I've said, the information Finio Loans gathered suggested Mr B was left with £648 once all of his committed expenditure and living costs were taken into consideration. So, Finio Loans was satisfied that the repayments for this loan should've been affordable for Mr B on a simple pounds and pence basis and this was, in my view, a reasonable conclusion in the circumstances.

I've turned to look at the results from the credit check Finio Loans carried out. The results suggested there was no indication of any defaults, insolvencies or any other public records – such as County Court Judgments – about which Finio Loans had been informed. Further, the results suggests that Mr B did not have any active or recent payday loans.

The results also suggested Mr B had a total unsecured indebtedness of £17,400 spread across 14 active accounts. Of this, nearly £8,900 was a hire-purchase/conditional sale agreement. In that context, I don't think Mr B's overall indebtedness (relative to what Finio Loans understood to be Mr B's income) would have given it cause for concern.

There was evidence Mr B had fallen one month into arrears on at least one account in the six months prior to the lending in question. I am not persuaded this, in isolation, would have given Finio Loans cause to make more searching enquiries or otherwise refuse to lend. I say this noting that it appears Mr B's accounts were all up to date at the point of application. Finio Loans could therefore – not unreasonably in my view – consider this to be an isolated incident rather than indicative of wider financial difficulties.

But, putting that to one side, allowing for reasonable repayments to all of Mr B's existing credit commitments, this loan appears to have been affordable for him.

So, looking at things in the round, I don't think the results of the credit check Finio Loans carried out should have prompted further checks or prevented it from lending to Mr B.

Further, I don't think Finio Loans were put on notice – otherwise had any good reason to think – that Mr B's financial situation was likely to change significantly during the loan term such that he would experience difficulty making the monthly repayments as they fell due.

So, I don't think Finio Loans made an unfair decision when it approved Loan 1.

Loan 2

Loan 2 was used, at least in part, to settle Loan 1. Prior to agreeing Loan 2, Finio Loans carried out much the same checks as it did for the earlier loan so, to avoid repetition, I won't set out those checks in detail again.

During his application, Mr B declared his residential status was 'living with parents' and his net² annual income was £30,000. He also declared total expenditure of £850 split between 'housing costs' (£450) and 'living expenses' (£400). The purpose of the loan was listed as 'home improvements'.

Finio Loans once again conducted a CATO check which indicated Mr B's declared income was broadly accurate (it calculated it to be £2,500 net per month).

Relying on Mr B's declared expenditure (to which it included a buffer for inflation), Finio Loans calculated his expenses totalled £932.26.

And Finio Loans again carried out a credit check from which it calculated Mr B was spending about £477 towards his existing monthly credit commitments.

Deducting all of this from Mr B's income, it looked like he had about £1,090.74 disposable income per month before repayments towards the lending in question was taken into account. Once the monthly repayment for the lending in question (£203.15) is also deducted from this figure, Mr B was left with £887.59 each month. So, it seemed the lending was affordable on a simple pounds and pence basis.

Looking at things in the round – and in particular noting the size of the monthly repayments relative to what Finio Loans understood to be Mr B's income - I think it proceeded with a proportionate amount of information before it agreed to lend.

As with Loan 1, Finio Loans then had to evaluate it because it still had to reasonably assess whether Mr B could afford to meet the loan repayments in a sustainable way over the term of the loan.

Did Finio Loans lend to Mr B responsibly using the information it had?

As I've said, the information Finio Loans gathered suggested this loan should've been affordable for Mr B on a pounds and pence basis. This seems like a reasonable conclusion in the circumstances.

Once again, I've turned to look at the results from the credit check Finio Loans carried out. The results suggested there was no indication of any defaults, insolvencies or any other public records – such as County Court Judgments – about which Finio Loans had been informed. Further, there were no other obvious indicators of financial hardship such as the presence of active or recent payday loans or multiple arrears/missed payments.

The results also suggested Mr B had a total unsecured indebtedness had decreased since Loan 1 to £15.696³. The majority of Mr B's total indebtedness was the hire-purchase/conditional sale agreement identified during the credit search for Loan 1. Looking at things in the round, I don't think Mr B's overall indebtedness (relative to what Finio Loans understood to be Mr B's income) would have given it cause for concern.

² Note, the income declaration appears to change from 'Gross' to 'Net' from Loan 1 to Loan 2. Therefore, whilst the headline income figure is lower for Loan 2, the actual income is the broadly the same.

³ It is worth noting that this figure included the outstanding balance for Loan 1 (£1,738) which was due to be repaid by Loan 2

I don't think there was anything in the information within the credit search – or in any of the rest of the information Finio Loans gathered at the time – which ought to have given it cause to gather more information or otherwise refuse to lend.

Therefore, I don't think it acted unfairly when it approved Loan 2.

Did Finio Loans act unfairly or unreasonably in some other way?

In response to the investigator's findings, Mr B pointed to a similar complaint he brought to our service concerning a different lender which was upheld. Mr B went on to say that the lending decision in that case *"was around the same period and I feel there are enough 'red flags' around that period for further investigation to take place"*.

It is important to be clear that each case turns on its own facts. And, what's more, the outcome of each case can vary depending on a number of factors, including (but not limited to) when the event being complained about took and the type of product being complained about. In any event, I'm not bound by the outcomes reached by other case handlers on different cases with different facts. Ultimately, I'm required to consider the facts of a case and reach my own independent conclusion on the matter.

That said, and with a view to providing some clarity and reassurance to Mr B it might help for me to explain that there is a difference between this complaint and the one I believe Mr B is referring to⁴.

The first thing to note is that the other case appears to involve a revolving credit facility so there are different considerations at play. But, more than this, the case handler found the information the lender gathered at the time – including internal information about how the account was being managed (including cash advances and overlimit fees) - ought to have alerted it to the fact he may have been having trouble managing his money. The case handler went on to consider further information Mr B had provided (which the lender hadn't seen) to determine that the lender acted unfairly when providing credit. When making its lending decision, Finio Loans would not have had access to detailed information about how Mr B was managing his revolving credit facility in the way the lender in the other case did.

So, while I'm not required to replicate the outcomes reached by case handlers, nonetheless I don't consider that my answer here is incompatible or inconsistent with the Mr B's other case, notwithstanding the differing outcomes.

Throughout his submissions to our service (including in response to the investigators findings) Mr B has said that Finio Loans relied on incorrect information when it made its lending decision. In particular, Mr B said that he had taken out payday lending and an unsecured loan prior to taking out the lending in question – neither of which flagged up on its checks. Further, Mr B said he *"shared evidence from that time which showed [his] credit commitments were much higher than [Finio Loans] were stating"*.

I understand and accept what Mr B has said about his financial situation being worse than the information Finio Loans gathered at the time suggested. But the extent of Mr B's financial difficulties was not evident from the credit search Finio Loans carried. And I think I'd be applying the benefit of hindsight unfairly if I were to now use this information to argue that Finio Loan's credit search was in some way inadequate or incomplete when that didn't appear to be the case at the relevant time.

⁴ Following a review of our system, I have identified one other complaint about a business' decision to lend which was upheld. Therefore, I have assumed this to be the case to which Mr B is referring.

And I accept that a more forensic analysis of Mr B's financial situation – such as a granular review of his bank statements from the time or similar – may have revealed some of the difficulties Mr B says he was having at the time. However, for the reasons I've explained, I think Finio Loans carried out proportionate checks even though it looks like some of the information it was provided with didn't tell the whole story. It relied, reasonably in my view, on the information it did have. And given the size of Mr B's monthly repayments, I don't think it was unreasonable of Finio Loans to grant the loans in question with all of that being the case.

I've also considered whether Finio Loans acted unfairly or unreasonably in some other way given what Mr B has complained about, including whether their relationship with him might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think Finio Loans lent irresponsibly to Mr B or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

Whilst I recognise this will be disappointing for Mr B, I do not think Finio Loans has acted unfairly here and, therefore, I do not uphold this complaint.

My final decision

For the reasons I've outlined above, I do not uphold Mr B's complaint about OAKBROOK FINANCE LIMITED trading as Finio Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 February 2026.

Ross Phillips
Ombudsman