

The complaint

A company, which I will refer to as J, complains that LDF Finance No. 3 Limited (trading as White Oak) treated it unfairly in respect of a loan.

Mr J and Miss S, J's directors, represent it in this complaint. Briefly, they say that the loan should never have been advanced and that there are significant defects in the associated documentation.

(I am aware that Mr J, Miss S and J have made a number of other complaints, but this decision solely relates to the above complaint against White Oak.)

What happened

White Oak told us that in October 2024, Mr J and Miss S's limited company J took out a loan through a broker. It also told us that Mr J and Miss S both gave it personal guarantees for J's debt.

J subsequently experienced financial difficulties and did not make all of its payments to White Oak when they fell due.

Mr J and Miss S later said that White Oak had made a significant number of errors in relation to the loan documentation. They also said the loan was unaffordable and gave various reasons why it should not have been advanced.

White Oak's position is that it is not responsible for any of Mr J and Miss S's concerns about the way the loan was loan was sold, and those issues should be referred to the broker. It said that it is satisfied that it met all of its obligations with regards to J.

Mr J and Miss S could not reach agreement with White Oak, and so they referred the matter to the Financial Ombudsman Service. One of our investigators looked at J's complaint, but he did not uphold it. He thought White Oak had treated J fairly. J's directors did not agree, so the complaint was passed to me for a final 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.

Having done so, whilst I am sorry to further disappoint Mr J and Miss S I am not going to uphold this complaint. Like our investigator, I am satisfied that White Oak has acted fairly in this matter. But I will make some further comments below.

Miss S has provided a very detailed explanation as to why she believes White Oak has not treated J as it should have done. I confirm that I have read everything that she has provided in full, but I have not given the same level of detail in this final decision. I intend no discourtesy by that; it simply reflects the informal nature of the Financial Ombudsman Service.

I think there might have been some confusion on J's directors' part about White Oak's regulatory status. LDF Finance No. 3 Limited is authorised and regulated by the Financial Conduct Authority. But that does not mean that everything it does constitutes a regulated activity. The loan J took out is not regulated under the Consumer Credit Act 1974. I've carefully considered J's directors' comments, including Miss S's comments about debt advice leaflets, but I've seen nothing to suggest that White Oak ever told them that the loan was so regulated. On the contrary, I think the documentation made clear that the loan was not regulated.

The fact the loan is not regulated means that White Oak was not required to follow the rules for regulated lending. As a result, the provisions of the Financial Conduct Authority's Consumer Credit Sourcebook do not apply. I would still expect White Oak to treat J fairly, but in this case I am satisfied that it did.

This loan was arranged by a broker. White Oak was not responsible for the broker's actions. Even if the broker did make misleading statements – and I make no findings on that point – White Oak would not be responsible for those statements.

I also have no concerns about the use of the trading name White Oak. I'm aware that other companies in the same group as LDF Finance No. 3 Limited also use the same trading name, but I see nothing unfair (or even unusual) about that.

I've noted J's directors' concerns about the documentation, but I've seen nothing to persuade me that White Oak treated J unfairly. I am satisfied that the documents show that the borrower was the limited company J, and not either of the directors as individuals. The directors gave personal guarantees for the borrowing, but being a guarantor is not the same thing as being a borrower. I am also satisfied that the documentation explained how much the loan would cost J. I accept that the documentation did not provide all the information that I would expect to see in respect of a loan regulated by the Consumer Credit Act 1974, but as I've said this loan was unregulated.

It is unfortunate that J has not been able to make the payments due to White Oak as those payments fell due, but I don't think that suggests the loan was unaffordable at the outset. I agree with our investigator that White Oak made a reasonable lending decision based on the information available to it at the time. I realise the directors have suggested that White Oak may have been given false information about the purpose of the loan, but even if that is the case I don't think it would be fair for me to hold White Oak responsible.

In addition, I don't think it would be fair for me to hold White Oak responsible for any deficiencies in the direct debit paperwork. It appears Miss S signed the direct debit mandate even though she was not named on the mandate for J's bank account. I don't think White Oak could reasonably have known the details of J's banking arrangements. In any event, the company J was liable for the loan it had taken out regardless of who (if anybody) had signed the direct debit mandate.

Overall, I see nothing unfair about White Oak's behaviour towards J.

My final decision

My final decision is that I do not uphold this complaint about LDF Finance No. 3 Limited (trading as White Oak).

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 9 April 2026.

Laura Colman
Ombudsman