

## **The complaint**

Miss C complains OAKBROOK FINANCE LIMITED (“Oakbrook”) irresponsibly lent to her.

## **What happened**

In August 2022, Miss C applied for a loan with Oakbrook. The application was approved and she was given a loan for £2,000, to be repaid over 30 months, with a monthly repayment amount of £91.76.

Miss C complained to Oakbrook in August 2025. She said she had a lot of other debt at the time and was frequently gambling. She said the payments were a struggle for her from the outset, and then payments were being rejected which ought to have shown Oakbrook she was struggling.

Oakbrook responded to the complaint. They didn’t uphold it. They said at the time of application, they completed an income and expenditure assessment using information Miss C declared, Office for National Statistics (ONS) data and Credit Reference Agency (CRA) checks. Having reviewed all of these, they found Miss C had around £770 in disposable income, and therefore felt the loan was affordable.

Miss C didn’t agree, so she referred her complaint to our Service. An Investigator here looked into things. They found the checks carried out were proportionate and a fair decision to lend was made. In response to the view, Miss C provided her statements – she said they demonstrate she was heavily reliant on her overdraft, gambling and using Buy Now Pay Later companies.

The Investigator explained Oakbrook wouldn’t have been required to look at the statement prior to lending. Miss C didn’t agree with the opinion. Because an agreement couldn’t be reached, the complaint has been passed to me to 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 in agreement with the Investigator. I know this is likely to disappoint Miss C, but I’ll explain my reasoning below.

The rules and regulations in place at the time Oakbrook provided Miss C with the loan required them to carry out a reasonable and proportionate assessment of whether she could afford to repay what she 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 sustainably would cause difficulties or adverse consequences for Miss C. In other words, it wasn’t enough for Oakbrook to consider the likelihood of them getting the

funds back or whether Miss C's circumstances met their lending criteria – they had to consider if Miss C could sustainably repay the lending being provided to her.

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 was needed before lending to Miss C.

When Miss C applied for the loan, Oakbrook gathered information regarding her financial circumstances. It recorded that she was earning a salary of around £32,000 per year and had outstanding debt of around £3,600. Miss C had no defaults at the time of application and didn't have any payday lending. This was collated using the information Miss C declared at application, and an external credit check.

I believe the checks Oakbrook carried out were proportionate, and considering the amount being provided to Miss C, and the information they gathered in these checks, I don't think they acted unfairly when providing her with the loan. I say this because it was for a modest amount of £2,000 with small monthly repayments of less than £100 per month, and there were no signs of financial difficulty in the past. It wouldn't be a significant cost for Miss C to repay this credit in a reasonable period of time based on her salary and existing credit commitments.

I've thought about what Miss C has said about her statements. But, when considering lending complaints, there are no specific checks that lenders must complete before approving an application for credit. The rules set out by the regulator merely state that checks should take place and that they should be proportionate to the type and amount of credit being provided. But there is no obligation on lenders to ask to see bank statements, so Oakbrook didn't make an error when they didn't automatically ask to see Miss C's bank statements before approving the applications.

Oakbrook have explained that when Miss C applied for credit, they reviewed her credit file. Having done so they were satisfied she had enough disposable income to meet the monthly repayments. So, they didn't ask for additional information before approving her application as there was nothing in the initial checks they completed to indicate that was necessary. In reaching my conclusions, I've also considered whether the lending relationship between Oakbrook and Miss C might have been unfair to Miss C under s140A 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 Miss C with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Miss C, I won't be upholding her complaint against Oakbrook for the reasons explained above.

### **My final decision**

It's my final decision that OAKBROOK FINANCE LIMITED didn't treat Miss C unfairly when lending to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 4 November 2025.

Meg Raymond  
**Ombudsman**