

## **The complaint**

Mr K complains that Oakbrook Finance Limited t/a Finio Loans (“Oakbrook”) lent to him irresponsibly and that the loans were unaffordable.

## **What happened**

In February 2024 Mr K applied for and received a loan from Oakbrook (“loan one”). It was for £3,000; for a 12-month term; with an interest rate of 57.4% APR and monthly repayments of £312.57: total repayable £3,750.84 The purpose of this loan was for debt consolidation.

In November 2024 Mr K applied for and received a further loan from Oakbrook (“loan two”). It was for £1,874.90; for a nine-month term; with an interest rate of 57.4% APR and monthly repayments of £248.32: total repayable £2,234.88. This was a top-up loan.

In July 2025, Mr K complained to Oakbrook. In summary, he said that it was irresponsible of them to provide him with the loans because of his financial circumstances, and the loans were unaffordable for him. Specifically, he said that Oakbrook did not carry out proper affordability assessments; and had they done so, they would have seen evidence of gambling and that he was in financial difficulties.

Oakbrook looked into the complaint and issued a final response letter in August 2025. They thought they had carried out reasonable and proportionate checks into Mr K’s circumstances and said that both lending decisions were affordable and sustainable. They didn’t uphold the complaint.

Mr K didn’t accept Oakbrook’s response and therefore referred his complaint to our service. One of our Investigators looked into it. For both loans she felt that Oakbrook had carried out sufficient checks into Mr K’s circumstances and acted fairly in providing both loans. She didn’t recommend that the complaint be upheld.

Oakbrook didn’t dispute this position, but Mr K did and asked for an Ombudsman’s decision. In summary, his main points were:

- Oakbrook’s modelled disposable income wasn’t real in practice, which bank statements would have shown;
- He was already over-indebted;
- The top-up lending in November 2024 made matters worse; and
- He was gambling and experiencing significant stress, which were indicators of vulnerability.

As 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.

Our approach to complaints about irresponsible and unaffordable lending is set out in detail on our website. I've used this approach to help me decide Mr K's complaint. For example, I've considered the rules and guidance on responsible lending relevant to the times of the lending decisions set out in the Financial Conduct Authority's ("FCA") Consumer Credit Sourcebook ("CONC").

In summary, Oakbrook needed to carry out reasonable and proportionate checks before providing each loan to ensure they did not lend to Mr K irresponsibly.

There is no set list of the checks Oakbrook had to do. What constitutes a proportionate affordability check will depend upon a number of factors including, but not limited to, the amount, type and cost of the credit Mr K was seeking as well as his overall financial circumstances. I've kept all of this in mind when considering whether Oakbrook did what was required before providing each loan to Mr K.

### **Loan one**

When Mr K applied for loan one, he declared an annual gross income of £37,500, verified by Oakbrook by obtaining a payslip. Oakbrook ultimately recorded a monthly net income of £1,928. He was working full time. The declared purpose of this loan was debt consolidation whereby Mr K was expected to use this loan to consolidate existing lines of credit and so reduce his monthly expenditure.

Oakbrook considered Mr K's declared information and assessed his monthly expenditure based on statistical information including from the Office for National Statistics ("ONS") and information provided by him. Oakbrook's assessed expenditure included housing costs of some £325, living costs of some £590, and existing credit commitments of £44. For housing costs, I understand Mr K had declared £300 so the assessed figure was to his advantage. After repayments to the new loan, Oakbrook calculated that Mr K had a net monthly disposable income of £574.22 with a built-in inflation buffer of £82.26.

Oakbrook also examined Mr K's existing credit commitments. His credit file showed existing unsecured debts of around £1,100. The credit search showed no County Court Judgments ("CCJs") or defaults within the past 36 months; no arrears within the past six months; no bankruptcy; and no recent use of payday loans.

The applicable rules and guidance do not require a lender to see full evidence of expenditure in every case. Instead, the lender has discretion about how they conduct checks to satisfy themselves that lending is affordable to applicants. This includes the consideration of statistical data where it is reasonable and proportionate to do so, as I think was the case here.

Overall, I think Oakbrook took reasonable steps to understand Mr K's circumstances before providing him with loan one. Their checks showed that Mr K's existing credit was being serviced without any recent recorded issues, and he appeared to have enough disposable income each month to make the repayments for loan one and to have sufficient net disposable income remaining. Therefore, I don't think Oakbrook acted unfairly by providing this loan.

### **Loan two**

When Mr K applied for loan two, he declared an annual net income of £30,000. Oakbrook recorded a monthly net income of £2,500, validated by Current Account Turnover data. He

was working full time. This was a top-up loan whereby the first loan was to be repaid, which it was.

Oakbrook considered Mr K's declared information and assessed his monthly expenditure based on statistical information including from the ONS and information provided by him. Oakbrook's assessed expenditure included housing costs of some £325 (again, as I understand it, Mr K had declared £300), living costs of some £464 (the declared figure being some £347), and existing credit commitments of some £629. After repayments to the loan, Oakbrook calculated that Mr K had a net monthly disposable income of £751.01 with a built-in inflation buffer of £82.26.

Oakbrook also examined Mr K's existing credit commitments. His credit file showed existing unsecured debts of around £12,200 across ten active accounts. The credit search showed no CCJs or defaults within the past 36 months; no arrears within the past six months; no bankruptcy; and no recent use of payday loans. There were no defaults on loan one. Whilst I note there had been an increase in the level of unsecured debt since loan one, I think Oakbrook took reasonable steps to understand Mr K's circumstances before it lent. I also think these checks revealed that the lending was likely to have been affordable for him.

I say this because he appeared to have enough disposable income each month to make payments against loan two and to have sufficient net disposable income remaining. Additionally, Oakbrook's checks showed that Mr K's existing credit continued to be serviced without any recorded issues. It follows that I don't think Oakbrook acted unfairly by providing loan two either.

Therefore, whilst it will likely come as a disappointment to Mr K, I think the checks that were carried out by Oakbrook at each stage were reasonable and proportionate and I don't think Oakbrook treated him unfairly in their decisions to provide him with these loans.

I've looked carefully at Mr K's points that consideration of his bank statements by Oakbrook would have revealed that he was in financial difficulty at the time; that he was regularly gambling; that he was over-indebted; and that he was vulnerable. Considering all the circumstances, including the results of the checks that were carried out by Oakbrook, I don't think it was necessary for them to have obtained bank statements before reaching their decisions to lend. I say this because I think their checks were reasonable and proportionate for the reasons outlined above. The results of these checks neither indicated over-indebtedness, nor that the loans were unlikely to be affordable for Mr K.

Whilst I sympathise with what Mr K says about his vulnerability, I don't think Oakbrook should have been aware of this at the times of providing the loans through the checks they carried out. It does not appear that Oakbrook received any contact from Mr K to advise of any financial difficulties or adverse changes in his financial circumstances.

Overall, I've not seen anything in the checks that ought to have caused Oakbrook to need to understand more about Mr K's circumstances; or to take the decisions not to have lent at all either in February or in November 2024.

I've also considered whether the relationship between Mr K and Oakbrook might have been unfair to Mr K under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already given, I don't think that Oakbrook lent irresponsibly to Mr K or otherwise treated him unfairly in relation to this matter. Nor have I seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

**My final decision**

For the reasons outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 16 March 2026.

Richard Ellison  
**Ombudsman**