

The complaint

Mr M complains that Oakbrook Bank Limited trading as Finio Loans was irresponsible in its lending to him on two occasions and that he was not adequately assessed for the credit.

What happened

Mr M applied for credit with Finio and had loans approved as follows:

Loan	Date	Amount of Credit	APR	Loan Term	Monthly Repayment
One	3 September 2024	£3,500	32.9%	48 months	£123.31
Two	3 April 2025	£1,250	32.9%	53 months	£148.98

Mr M says that he was not adequately assessed for the credit, that the checks carried out didn't reflect his true financial position at the time and that the lending decisions were irresponsible.

Mr M says that he was in significant financial difficulty at the time of the lending and that checks carried out showed a high reliance on credit, including withdrawals from credit cards. He thinks Finio should have reviewed his income using payslips as he had recently changed jobs and his income figures had varied significantly in the months leading up to the loan application, with these figures being distorted by holiday pay. He therefore doesn't think that the disposable income Finio calculated gave a true reflection of his financial circumstances.

As a result of the lending, Mr M says that he has been caused persistent financial strain and anxiety, and he's had to rely on borrowing to meet basic living costs.

He thinks that Finio should refund the interest and charges applied to the loans, reduce his outstanding balance accordingly, and to remove any adverse information from his credit file. He also thinks Finio should compensate him for the financial pressure and stress.

Finio investigated Mr M's complaint and said that they believe they undertook appropriate checks, which confirmed that the loans were both affordable and sustainable for Mr M.

Our investigator reviewed matters and didn't think that Finio had done anything wrong by providing the loans to Mr M and that its checks were adequate with affordability and sustainability established on each occasion.

Finio didn't dispute this opinion, but Mr M did. He didn't agree that adequate checks were carried out before the loans were provided and said that Finio's checks failed to take into account the full picture of his financial situation. He provided further information to support his position.

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.

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Our approach to considering complaints about unaffordable and irresponsible lending is set out on our website. I've had this approach in mind when considering what's fair and reasonable in the circumstances of this complaint. While I have taken into account the relevant laws and regulations, my decision is based on what I consider fair and reasonable given the circumstances of this complaint.

As our investigator has explained, before providing credit, lenders need to complete reasonable and proportionate affordability checks. There isn't a set list of checks a lender is required to carry out, it just needs to ensure the checks are proportionate when considering things like: the type and amount of credit being provided, the size of the regular repayments, the total cost of the credit and the consumer's circumstances.

Mr M was provided with two loans, an initial amount and a top up. I have looked in detail at each of the individual lending decisions for the loans.

Loan one

When Mr M applied for a loan of £3,500 over 48 months in September 2024, with the stated purpose of debt consolidation, Finio gathered information on his financial circumstances. He declared a gross annual income of £32,000 but Finio verified this using Current Account Turn Over data, which showed a minimum monthly net income of £1,868, so it used this more conservative figure for its calculations. Mr M also declared housing costs of £550 which Finio verified against third party data. It then used third party data to obtain a figure of £547.54 for living expenses and £471.80 for existing credit commitments on a total outstanding unsecured debt of around £21,100. It applied an inflation buffer of £74.07 to cover any cost-of-living increase during the term of the loan to ensure the repayment would remain affordable over the term of the loan.

After taking account of the Finio loan repayment, this left a disposable income figure of £101.28. This was before taking account of any debt consolidation that took place, which is what Mr M had stated he would be using the loan for. So, it's reasonable to assume that his existing credit commitments would reduce, giving him an increase in his disposable income.

Finio also reviewed Mr M's credit record, which did not show any adverse information and did not identify any concerning patterns of credit application in the period before the application.

Mr M thinks that Finio should not have relied on third party data for its checks, but CONC 5.2A.19 states that a lender may take into account statistical data when considering non-discretionary expenditure 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 cannot see any reason why Finio should have suspected that this was the case. So, it follows that I do not think that Finio should have requested further information such as payslips or current account statements.

Having looked at the information Finio took into account, I believe the checks carried out were proportionate considering the amount and term of the loan and the relatively modest monthly repayment amount.

Mr M's CRA report did not show any adverse information such as CCJs, delinquencies or defaults and showed that his other accounts were in good order. The income and

expenditure calculation that Finio carried out showed a sufficient amount of disposable income for Mr M, particularly given it included an inflation buffer specifically to cover any increases in cost of living. Therefore, it follows that I think the checks were proportionate, and a fair decision to lend was made in the circumstances of Mr M's complaint.

In conclusion, there is no information in the checks that Finio carried out that raises concerns about the affordability of the lending, given the amount and term of the loan and the amount of disposable income that Mr M had available. So, I do not find Finio acted irresponsibly by providing this loan to Mr M.

Loan two

Looking at Loan two, Mr M applied in April 2025 for a 'top up' amount of £1,250 over 53 months, with the stated purpose of funding a holiday. Again, Finio gathered information on his financial circumstances. This time, he declared a net annual income of £29,712 but Finio verified this using Current Account Turn Over data, which showed a minimum monthly net income of £2,228, so it used this more conservative figure for their calculations. Mr M also declared housing costs of £550 which Finio again verified against third party data. It then used third party data to obtain a figure of £739.12 for living expenses and £560.85 for existing credit commitments on a total outstanding unsecured debt of around £22,765. It applied an inflation buffer of £74.07 to cover any cost-of-living increase during the term of the loan to ensure the repayment would remain affordable.

After taking account of the Finio loan repayment, this left a disposable income figure of £229.39.

Finio also reviewed Mr M's credit record, which did not show any adverse information and did not identify any concerning patterns of credit application in the period before the application.

Having looked at the information Finio took into account, I believe the checks carried out were proportionate considering the amount and term of the loan and the relatively modest monthly repayment amount. Although Mr M's amount of total credit had increased slightly since he had applied for the first loan, his disposable income increased due to an increase in his income. Again, Finio are able to rely on statistical data when assessing expenditure and I cannot see any reason why it should have requested further information such as payslips or current account statements.

But it doesn't end there. I have gone on to consider whether what these checks showed should have raised any concerns that the loan was not affordable or sustainable for Mr M.

Mr M's CRA report did not show any adverse information such as CCJs, delinquencies or defaults and showed that his other accounts were in good order. The income and expenditure calculation that Finio carried out showed a sufficient amount of disposable income for Mr M, particularly given it included an inflation buffer specifically to cover any increases in cost of living. Therefore, it follows that I think the checks were proportionate, and a fair decision to lend was made in the circumstances of Mr M's complaint.

In conclusion, there is no information that raises concerns about the affordability of the lending, given the amount and term of the loan and the amount of estimated disposable income calculated. So, I do not find Finio acted irresponsibly by providing this loan to Mr M.

After receiving our investigator's view on both of the loans, Mr M has provided further detail on his financial situation at the time of lending. I can see from this that the checks undertaken by Finio did not necessarily reveal the full extent of his circumstances, but this is not a failure on its part, as the checks were proportionate to the lending and did not give any indications that it should have requested further information such as payslips or current account statements.

I note that in his response to our investigator's view, Mr M has mentioned Consumer Duty, but as I have found that the checks carried out by Finio were proportionate and a fair decision was made, it follows that they upheld this duty and did not make a decision that caused harm.

In reaching my conclusions, I've also considered whether the lending relationship between Finio and Mr M might have been unfair to Mr M under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Finio did not lend irresponsibly when providing Mr M with the loans. 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 Mr M, I won't be upholding his complaint against Finio for the reasons explained above.

My final decision

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 M to accept or reject my decision before 3 March 2026.

Hannah Poulton
Ombudsman