

The complaint

Miss J complains that OAKBROOK FINANCE LIMITED trading as Finio Loans ('Oakbrook') was irresponsible in its lending to her. She wants all interest and charges on her loan refunded and any adverse information removed from her credit file.

What happened

Miss J's complaint is about a £2,000 loan provided by Oakbrook in July 2024. The loan term was 12 months, and Miss J was required to make monthly repayments of £210.90.

Miss J said that adequate affordability checks weren't undertaken before the credit was provided and had they been, Oakbrook would have seen that the lending was unaffordable due to her gambling and poor credit rating. Miss J said she had opened several other accounts in the previous six months and was over her limit on a number of accounts and was overdrawn.

Oakbrook issued a final response to Miss J's complaint dated 19 June 2025. It noted that Miss J's complaint was about the loan provided in July 2024 but explained that she had been provided with three loans prior to that and it considered all of these. Oakbrook said that affordability and credit checks were carried out before the loans were issued and that Miss J's income was validated. It said that its checks showed that the loans were affordable for Miss J.

Miss J referred her complaint to this service.

Our investigator noted the complaint was about the July 2024 loan and investigated this. He considered the checks Oakbrook carried out before the loan was issued and thought these were reasonable and proportionate. Based on these checks he found the loan to be affordable for Miss J.

Miss J didn't agree with our investigator's view.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue a 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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Miss J was provided with a £2,000 loan which required monthly repayments of around £211. Before the loan was issued, Oakbrook gathered information about Miss J's employment, income and residential status. Miss J said she was employed with an annual income of £38,500 and she was living with parents. Miss J's income was validated, and a credit check was undertaken. Oakbrook explained that the credit check showed Miss J had total unsecured debt of £12,864 consisting of two loans and three credit card/store cards and that all of her accounts were up to date. It found her total credit costs each month were around £842.

Having considered the size of the loan being provided and the repayments compared to Miss J's validated income, noting that her credit report didn't raise concerns about how she was managing her existing credit commitments and her management of her previous loans with Oakbrook hadn't raised concerns, I think the checks carried out before this loan was issued were proportionate. However, just because I think reasonable checks were undertaken, it doesn't necessarily mean that I think the loan should have been given. To assess that I have considered the outcome of Oakbrook's checks to see if these raised concerns that meant further information should have been gathered or the loan not provided.

Miss J's monthly net income was validated as around £2,486. I think it reasonable that this was relied on and I note that the account statements Miss J has provided show a weekly income of around £576 which supports the monthly figure used. Miss J's credit costs were taken from her credit file and deducting these along with the Oakbrook loan repayments would leave Miss J with around £1,433 for her housing, living and any other costs. Miss J had said she was living with parents, and Oakbrook included an amount for her housing (£500) and estimated living costs (around £519). Based on these, Miss J was left with disposable income of around £414 for any other costs as well as any increases in her costs. I find this reasonable and do not think this suggested that the loan would be unaffordable for Miss J.

Miss J has explained that she was gambling at the time of her application. I am sorry to hear of the difficulties Miss J has experienced, but in this case, I do not think that Oakbrook was required to request copies of Miss J's bank statements. Because of this and as I have nothing to show that Miss J told Oakbrook about her gambling, I do not think that Oakbrook should have been reasonably aware of this.

I note Miss J's comment about her credit score at the time, but as the checks undertaken by Oakbrook showed she had no defaults or county court judgments, and that her credit accounts were up to date, I do not think that Oakbrook was required to ask further questions regarding this. And as her total debt wasn't at a level which meant further debt shouldn't have been given (I further note Oakbrook's comment that Miss J had said the loan was for debt consolidation), in this case, I do not think that Miss J's credit checks raised issues that meant this loan should have been identified as irresponsible.

So, for the reasons set out above, I do not find I can say that Oakbrook was wrong to provide this loan to Miss J, and I do not uphold this complaint.

I've also considered whether Oakbrook acted unfairly or unreasonably in some other way given what Miss J has complained about, including whether its relationship with Miss J might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Oakbrook lent irresponsibly to Miss J or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

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 Miss J to accept or reject my decision before 14 January 2026.

Jane Archer
Ombudsman