

The complaint

Mrs C complains Oakbrook Finance Limited (Oakbrook) failed to carry out thorough enough financial checks before it approved a loan for her.

What happened

Mrs C says Oakbrook approved a loan for £2,000 in July 2025 but it had relied on a higher level of income than what was actually the case, and if it had carried out a more robust set of financial checks it would have seen the loan was unaffordable.

Mrs C wants Oakbrook to refund the interest charged to the loan and freeze any future interest on the loan.

Oakbrook says it is a responsible lender and before it approved the loan it completed affordability checks using information Mrs C declared in her application, along with data obtained from credit reference agencies (CRA's), the Office for National Statistics (ONS) and other external income verification sources. Oakbrook says from its checks this showed Mrs C had managed her existing credit commitments well with no adverse credit information recorded.

Oakbrook says it verified Mrs C's income from industry standard current account turnover sources (CATO) and used this lower figure when calculating affordability. Oakbrook says after allowing for housing, living expenses and credit commitments including the new loan, this left a net disposable income of around £1,975 per month.

Oakbrook says it carried out reasonable financial checks before it approved the loan and doesn't agree it lent irresponsibly.

Mrs C wasn't happy with Oakbrook's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator pointed out there are no set list of checks lenders must carry out but these should be borrower focused.

The investigator says from the information she had seen Oakbrook carried out reasonable and proportionate checks using information from CRA's, CATO and the ONS alongside Mrs C's declared information from her application. The investigator says this showed while Mrs C had external debts, they were not excessive in relation to her income and these debts had been well managed and there was nothing to indicate Mrs C was under any financial pressure.

The investigator says while Mrs C disputes the income levels Oakbrook based its affordability on, this was actually based on information from external credit sources and not totally reliant on what Mrs C had declared.

Based on what the investigator had seen she felt the loan looked affordable and Oakbrook's decision to lend was fair.

Mrs C didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman 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, I won't be upholding this complaint and I will explain how I have come to my decision.

I was sorry to learn Mrs C is experiencing financial difficulties and that must be a source of worry for her. When looking at this complaint I will consider if Oakbrook carried out reasonable and proportionate checks before it approved the loan.

Mrs C's complaint centres around her view that Oakbrook failed to carry out thorough enough financial checks before it approved the loan, and the level of income it had accepted from her application wasn't representative of her actual income, and the loan was unaffordable to her.

While I understand the points Mrs C makes here, I'm not fully persuaded by her argument and I will go on to explain why.

As the investigator has pointed out there are no set list of checks lenders like Oakbrook must carry out before approving credit facilities, but these should be borrower focused taking into account the amount, type, term and cost of any borrowing. I should say here it's not for me to tell Oakbrook what those checks must consist of, or from what sources those checks should come from.

From the information I have seen, before Oakbrook approved the loan it carried out various financial and affordability checks using information declared by Mrs C alongside data provided by external recognised sources, such as CRA's, the ONS and income verification from industry standard sources. In fact rather than relying on the annual income Mrs C declared on her application of £90,000, Oakbrook used current account turnover provided by industry recognised sources, referred to as CATO which was at a much lower level of around £3,800 per month.

So it was this level of income that Oakbrook carried out its affordability modelling, which indicated that after all household expenses and credit servicing costs, left Mrs C with a net disposable income of around £1,975 per month after the new loan commitment. I can also see Oakbrook's checks showed there were no CCJs, defaults, arrears or any other obvious signs of financial pressure and Mrs C's external credit commitments had been well run.

So given that, I wouldn't have expected Oakbrook to have insisted on asking for any other confirmation of income here, that said Mrs C did provide bank statements to this service and from what I have seen these show levels of turnover through the account in line with what Oakbrook relied on for its assessment.

So while Mrs C may not agree, I am satisfied the checks Oakbrook undertook before approving the loan were reasonable and proportionate and its decision to lend was fair.

I've also considered whether Oakbrook acted unfairly or unreasonably in some other way given what Mrs C has complained about, including whether its relationship with her might have been unfair under s.140A Consumer Credit Act 1974. However, for the same reasons I have set out above, I've not seen anything that makes me think this was likely to have been

the case.

While Mrs C will be disappointed with my decision, I won't be asking anymore of Oakbrook 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 Mrs C to accept or reject my decision before 6 January 2026.

Barry White
Ombudsman