

The complaint

Mr B complains that Oakbrook Finance Limited irresponsibly provided him with three unaffordable loans.

What happened

Mr B was provided with the following loans by Oakbrook Finance under its trading style of Finio Loans. I've rounded values in some instances for ease:

Loan	Date	Capital amount	Term (months)	Monthly repayments	Total repayable amount
Loan one	March 2024	£2,000	12	£225	£2,670
Loan two	September 2024	£2,000	24	£140	£3,350
Loan three	July 2025	£1,300	24	£80	£1,980

**Loans one and two were withdrawn within the 14 day cancellation period*

Mr B complained to Oakbrook Finance in August 2025 about irresponsible lending. He said Oakbrook Finance hadn't completed proportionate checks before providing these loans; and that had it done so it ought to have identified he was gambling and that these loans wouldn't be sustainably affordable for him.

Oakbrook Finance issued a final response in September 2025 and didn't uphold Mr B's complaint. In summary it said it completed proportionate checks and made fair lending decisions when providing Mr B with each of these loans.

Unhappy with Oakbrook Finance's response Mr B referred his complaint to our service.

One of our investigators reviewed the details and didn't uphold Mr B's complaint. They considered Oakbrook Finance had completed reasonable and proportionate checks; and had gone on to make fair lending decisions when providing Mr B with each of these loans.

Oakbrook Finance didn't respond to our investigator's view; Mr B responded and disagreed. In summary, he maintained his arguments that proportionate checks should have led to Oakbrook Finance identifying that he was gambling. Mr B therefore maintained Oakbrook Finance made unfair lending decisions when providing these loans.

Mr B asked for an ombudsman's review, so 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.

The information in this case is well known to Mr B and Oakbrook Finance, so I don't intend to repeat it in detail here. Instead, I've focused my decision on what I consider to be the key points of this complaint; so, while my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties I've carefully reviewed

everything available to me. I don't mean to be discourteous to Mr B or Oakbrook Finance by taking this approach, but this simply reflects the informal nature of our service.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website.

At the time Oakbrook Finance provided these loans it needed to take reasonable steps to ensure they were affordable and sustainable for Mr B. There isn't a set list of checks Oakbrook Finance needed to conduct, but the checks needed to be proportionate to the terms of lending being provided. In practice, this means we generally consider a lender's checks need to be less thorough at the early stages of a lending relationship – in terms of the information it obtains and looks to verify to reach its decision. But if the lender identifies information through its checks which ought reasonably to cause it concern – because for example the information suggests there's a higher risk of the lending being unaffordable or unsustainable – we'd expect more detailed checks from the lender for it to be able to evidence it didn't lend to a customer irresponsibly.

I've used this approach to help me decide this complaint.

Oakbrook Finance has said before providing each loan it validated Mr B's declared income by way of an online credit tool check. It says it used credit tool and Office of National Statistics (ONS) data to reasonably understand Mr B's regular monthly expenditure, and that it completed a credit check to understand Mr B's existing credit commitments and management of credit.

Oakbrook Finance says it used all of the data it obtained and ran this through its internal processes to decide whether to lend to Mr B. It says in each event it was satisfied its checks were proportionate, and that it went on to make fair lending decisions based on the information it obtained.

I've carefully considered Oakbrook Finance's arguments. Having done so, I'm persuaded its checks were proportionate; and that it went on to make fair lending decisions in each event.

I say this because in each event Oakbrook Finance was providing relatively modest loan terms, and it therefore follows its checks would be proportionate to these terms. Oakbrook Finance validated Mr B's income through online credit tool checks. Mr B's regular expenditure was also validated through online credit tool checks and industry recognised statistical data. Although no housing costs were declared by Mr B as he said he was living with parents, Oakbrook Finance included housing costs within its calculations. It applied living costs based on statistical data.

The credit check results in each event showed Mr B was managing his finances in the years before these loans were provided relatively well. There was evidence of historic adverse information, such as a default and CCJ, but these were reported from around three and a half years before loan one was provided, and subsequently became further historic as loans two and three were provided over the following 16 month period. There was no other adverse information such as insolvency or missed payments in the recent past leading up to these lending events.

I acknowledge by loan three Mr B's total debt had increased sizeably; however, a large proportion of this appears to relate to a new hire purchase agreement which hadn't reported on the credit checks Oakbrook Finance obtained at loans one and two. While both Mr B's revolving and non-revolving debts had increased, this remained at a similar level relative to the increased income Mr B reported and which was validated. As such, I don't consider this

increase, or any other information Oakbrook Finance obtained, ought to have been overly concerning to it, or suggested further checks would have been proportionate in any of these lending events

I've seen the data and calculations Oakbrook Finance used and I consider it reasonably satisfied itself that each of these loans were sustainably affordable for Mr B. This took into account validated figures for the above detailed income and expenditure criteria, as well as a buffer to account for inflation across the term of the loans. In each event Oakbrook Finance's calculations showed Mr B was left with a considerable level of disposable income to be able to sustainably afford to repay the loans.

Mr B has questioned why he would have taken this type of lending on three separate occasions if he had the level of disposable income available to him as Oakbrook Finance's checks suggested. Mr B says he'd obtained credit in the lead up to these loans, using revolving credit facilities to withdraw cash, and he considers this ought reasonably to have warranted more detailed checks from Oakbrook Finance.

I've considered Mr B's position here; having done so I'm not persuaded by it. I say this because there are many reasons why an individual may choose to use finance, either in full or part, when they have a level of available funds through monthly disposable income. And I don't consider this alone needed further questioning.

The credit check data Oakbrook Finance has provided our service in each lending event doesn't set out in detail the number of new lines of credit opened, the individual balances of each account, or the type of spending the balances are made up of.

Our investigator recently asked Mr B to provide us with a copy of his full credit file, to look to understand this level of detail. Mr B wasn't able to provide us with his full credit file, which would give more insight on this information. However, from Oakbrook Finance's checks I'm able to understand the changes in the number of active accounts and outstanding balances between each lending event. So, I consider in the absence of Mr B's full credit file I can still obtain a reasonable understanding of what data Oakbrook Finance's credit check would likely have shown it.

As I've already set out above, Mr B's outstanding credit balances did increase sizeably between loans two and three being provided. However, I've already found that I don't consider this ought to have been overly concerning to Oakbrook Finance, especially given a large proportion appears to relate to a new hire purchase agreement, and that Mr B's validated income had also sizeably increased. I note that in the six months between loan one and two being provided, Mr B's total outstanding balances decreased, suggesting less reliance on credit in that period, which Oakbrook Finance would reasonably have considered a positive indication. So, I've not seen anything to suggest Oakbrook Finance ought reasonably to have conducted more detailed checks at any of its lending decisions in the individual circumstances of this complaint.

Mr B withdrew from loans one and two within the 14 day cancellation period. As such, these agreements were cancelled and Mr B only paid interest for the handful of days he had the funds. I consider Oakbrook Finance would more likely than not have seen this position as a positive, as it suggested Mr B's financial position had improved to the point that these loans were no longer required.

Mr B made us aware in his complaint that he was gambling, and that had Oakbrook Finance completed proportionate checks it ought reasonably to have identified this, and not provided him with these loans. Mr B considers it would have been proportionate for Oakbrook Finance

to have reviewed his bank statements, and he says he can provide these for our consideration which he says paint a picture of his true financial situation.

I've thought very carefully about this point. I am sorry to hear of these circumstances which appear to have led, at least in part, to Mr B obtaining these loans. I'm also sorry to hear how these circumstances have impacted Mr B's health. I don't doubt his testimony, and I acknowledge that Mr B's bank statements may well present a different financial position to that which Oakbrook Finance identified through its checks.

However, as I've found above, I'm satisfied Oakbrook Finance's checks were reasonable and proportionate in each lending event. So, it follows that its checks didn't need to be more detailed, and take into account verification of actual income and expenditure by way of Mr B's bank statements, for example.

As such, I'm not persuaded that Oakbrook Finance was, or ought reasonably, have been aware of Mr B's gambling.

As part of my consideration of this complaint I've taken into account various instruments – including relevant case law, rules and regulations, and good industry practice – as I'm required to do in each case I review. This consideration includes Oakbrook Finance's obligations under the Financial Conduct Authority (FCA) Consumer Duty, which Mr B has made reference to.

The Consumer Duty's overarching principle is to ensure firms act to deliver good outcomes for retail customers. But businesses still need to ensure they're following existing laws and relevant rules and regulations, including lending regulations.

As I've found above, I'm satisfied that Oakbrook Finance's checks were reasonable and proportionate to the terms of lending it was providing; and what it had reasonably identified about Mr B's finances through these checks. As such, I consider Oakbrook Finance's actions to have been in line with the rules and regulations it needed to follow when considering Mr B's lending requests and making its lending decisions.

Finally, I've gone on to consider whether the relationship between Mr B and Oakbrook Finance might have been unfair under Section 140A of the Consumer Credit Act 1974. However, I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

For the reasons set out above I consider Oakbrook Finance made fair lending decisions when providing these loans; so, it therefore follows I'm not directing it to take any further action in resolution of this complaint.

My final decision

My final decision is that I don't uphold Mr B's complaint about Oakbrook Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 December 2025.

Richard Turner
Ombudsman