

## **Complaint**

Mr G has complained about a loan Oakbrook Finance Limited (trading as “Likely Loans”) provided to him. He says he shouldn’t have been lent to as the loan was unaffordable as he had just completed an individual voluntary arrangement (“IVA”).

## **Background**

Likely Loans provided Mr G with a loan for £3,000.00 in February 2024. The total amount of to be repaid of £5,841.36, which included interest, fees and charges of £2,841.36, was due to be repaid in 36 monthly instalments of £162.26.

One of our investigators reviewed what Mr G and Likely Loans had told us. And she didn’t recommend that Mr G’s complaint be upheld. Mr G disagreed and asked for an ombudsman to look at his complaint.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Mr G’s complaint.

Having carefully thought about everything, I’ve decided not to uphold Mr G’s complaint. I’ll explain why in a little more detail.

Likely Loans needed to make sure that it didn’t lend irresponsibly. In practice, what this means is Likely Loans needed to carry out proportionate checks to be able to understand whether Mr G could afford to repay before providing this loan.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Likely Loans says it agreed to Mr G’s application after he provided details of his monthly income and some information on his expenditure. It says it cross-checked this against information on a credit search it carried out and this showed Mr G could afford to make the repayments he was committing to. On the other hand, Mr G has said he was in financial difficulty.

I’ve carefully thought about what Mr G and Likely Loans have said.

The first thing for me to say is that Likely Loans didn't just simply accept what Mr G had told it. It did carry out credit searches, as Mr G says it should have done, which showed that he didn't have any County Court Judgments ("CCJ") recorded against him. However, it did see that Mr G had defaulted on a credit commitment around 14 months prior to this application. Nonetheless, it would appear that the amount of Mr G's active credit was low in comparison to his validated income.

I accept that Mr G appears to be suggesting that his actual circumstances may not have been fully reflected either in the information he provided, or the information Likely Loans obtained. I know that Mr G has referred to his IVA and has said that this loan wasn't affordable. However, I can't see that Likely Loans was aware of an IVA. Furthermore, I can't see that this was something Mr G had disclosed either.

I would also add that whilst I've noted Mr G's comments, Likely Loans didn't carry out credit searches with every credit reference agency. In my view, it would be unreasonable to expect a lender to carry out credit checks in this way, particularly in circumstances where a lender isn't required to carry out a credit check in the first place.

So while I'm sorry to hear about what Mr G has told us, I can only determine this complaint by reference to what Likely Loans could reasonably be expected to know. With this in mind, Likely Loans' checks suggested that Mr G did have sufficient funds to make the repayments required to this loan.

Equally, these checks didn't appear to indicate that Mr G might have been struggling and most importantly they did not suggest that £3,000.00 was a large, or unaffordable, amount for him. In these circumstances, I'm not persuaded that the sort of checks Mr G now insists should have been carried out, needed to be carried out at the time.

For the sake of completeness, I should add that at best, even if I were to accept that further checks were necessary, which I'm not necessarily persuaded is the case here, any such checks would only have gone as far as finding out more about Mr G's regular living costs. And I've not anything to indicate that further information on Mr G's actual living costs would have seen Likely Loans make a different lending decision in this instance.

In reaching my conclusions, I've also considered whether the lending relationship between Likely Loans and Mr G might have been unfair to Mr G under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Likely Loans irresponsibly lent to Mr G or otherwise treated him unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

As this is the case, I don't think that Likely Loans did anything wrong when deciding to lend to Mr G - it carried out proportionate checks and reasonably relied on what it found out which suggested the repayments were affordable. I appreciate this will be very disappointing for Mr G. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or

reject my decision before 16 February 2026.

Jeshen Narayanan  
**Ombudsman**