

## **The complaint**

Mr G is unhappy OAKBROOK FINANCE LIMITED trading as Finio Loans ('Oakbrook') provided him with three loans that were unaffordable.

## **What happened**

Oakbrook provided Mr G with four loans:

- Loan one in February 2022 for £2,000. This was due to be repaid in 12 monthly instalments of around £219.
- Loan two in October 2022 for £1,500. This was due to be repaid in 24 monthly instalments of around £103.
- Loan three in December 2022 for £1,000. This was due to be repaid in 12 monthly instalments of around £107.
- Loan four in April 2023 for £1,900. This was due to be repaid in 24 monthly instalments of around £116.

Mr G made an irresponsible lending complaint in August 2025. He said Oakbrook had not treated him fairly and provided him with loans which weren't affordable given his circumstances.

Oakbrook didn't uphold Mr G's complaint, explaining the information they'd obtained at application and from the credit reference agencies ('CRA') supported these loans were affordable. So, Mr G brought his complaint to the Financial Ombudsman.

One of our investigators looked at Mr G's complaint but didn't find that Oakbrook had lent irresponsibly or that the loans were unaffordable.

Mr G disagreed with our investigator, saying that Oakbrook shouldn't have relied on average data or on automated income verification. He also felt that his pattern of repeat borrowing should have prompted Oakbrook to carry out further checks.

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.

Having done so, I'm not upholding Mr G's complaint. I know this is likely to come as a disappointment to Mr G, so I'll explain the reasons for my decision.

The Financial Conduct Authority (FCA) sets out in a part of its handbook known as (CONC) what lenders must do when deciding whether or not to lend to a consumer. In summary, a firm must consider a customer's ability to make repayments under the agreement without

having to borrow further to meet repayments or default on other obligations, and without the repayments having a significant adverse impact on the customer's financial situation.

CONC says a firm must carry out checks which are proportionate to the individual circumstances of each case.

I've kept all of this in mind when thinking about whether Oakbrook did what was needed before lending to Mr G.

Mr G repaid Loan one in full the day after he took it out which means no interest was applied. I therefore won't be commenting on this loan any further due to Mr G suffering no financial loss.

#### Did Oakbrook carry out reasonable and proportionate checks?

Before approving the loan applications, Oakbrook:

- Asked Mr G what his income was and verified this using Current Account Turnover('CATO') data
- Asked Mr G about his housing costs
- Estimated Mr G's essential living costs using statistical data
- Estimated Mr G's disposable income
- Checked his credit file

I appreciate Mr G has said Oakbrook shouldn't have relied on average data and should have verified his actual expenditure. However, the regulations specifically allow a business to use statistical data to estimate an applicant's expenditure. And I haven't seen anything in the information Oakbrook obtained which ought to have prompted them to do further checks.

Mr G's external debt was relatively low compared to his income and he was managing his existing accounts well. There were defaults and a County Court Judgment ('CCJ') being reported but these dated back to 2019 and so were not indicative of any recent financial difficulties.

I'm satisfied these checks were reasonable and proportionate and it was reasonable for Oakbrook to not go through a detailed expenditure assessment considering the information they gathered from the CRA.

I appreciate Mr G's point about being approved for these loans in quick succession. I accept this can sometimes be a sign that a consumer is struggling financially and reliant on lending. However, the checks carried out by Oakbrook didn't suggest this was the case. The credit file information Oakbrook obtained from the CRA didn't suggest he was overly reliant on lending or struggling with his existing debt commitments. It also suggested he hadn't taken out any payday loans since 2018. He'd also managed his previous loans well and had settled them all early.

#### Did Oakbrook make fair lending decisions?

Just because I think the checks were proportionate based on Mr G's circumstances, it doesn't end there. I need to consider whether Oakbrook made fair decisions to lend.

*Loan two*

Oakbrook carried out a credit check which showed no recent adverse information. Multiple defaults had been recorded 39 months prior, and a CCJ 36 months prior, but they all appeared to have been satisfied and there had been no further issues with Mr G's accounts since. The credit check also showed it had been 55 months since Mr G had taken out a payday loan. So whilst this information suggested Mr G had previously been in financial difficulty, this didn't appear to be the case anymore.

He had around £1,900 revolving debt and no fixed term loans. He appeared to be managing these accounts well, with no missed payments, underpayments or arrears in the months leading up to the loan application.

Oakbrook verified Mr G's monthly income of around £2,212 using Current Account Turnover (CATO) income verification. This appears to be slightly less than the £38,000 income he'd provided in his application. They used Mr G's declared housing costs of £500 and relied on the CRA data to establish Mr G's monthly debt commitments of around £73. Finally, they estimated Mr G's monthly non-discretionary spending to be around £572.

Based on these figures, and after factoring in the new loan repayment, Oakbrook estimated Mr G would be left with around £962 disposable income per month. So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr G as the information they obtained suggested that the loan would be sustainably affordable.

#### *Loan three*

Oakbrook's credit check again showed no recent adverse information. It suggested Mr G had around £2,900 unsecured debt, and no fixed term loans other than the existing one with Oakbrook. He still appeared to be managing these accounts well, with no missed payments, underpayments or arrears in the months leading up to the loan application.

Oakbrook carried out the same checks to verify Mr G's income and establish his expenditure. They verified Mr G's monthly income of £2,263 using CATO, which was slightly less than the £39,000 annual income he'd provided in his application. They used Mr G's declared housing costs of £500 and relied on the CRA data to establish Mr G's monthly debt commitments were around £211. Finally, they estimated Mr G's monthly non-discretionary spending to be around £572 and added an inflation buffer of around £82.

Based on these figures, and after factoring in the new loan repayment, Mr G was left with around £789 disposable income per month. So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr G.

#### *Loan four*

Once again, Oakbrook's credit check showed no recent adverse information. Mr G's external debt had increased to around £9,400, mainly due to his revolving credit balances increasing. But his number of active accounts had only increased by one and his monthly debt commitment was still fairly low relative to his monthly income, at around £358. Finally, he still appeared to be managing these accounts well, with no missed payments, underpayments or arrears in the months leading up to the loan application. So, I'm not persuaded the increase in external debt alone ought to have raised any concerns.

Oakbrook carried out the same checks to verify Mr G's income and establish his expenditure. They verified Mr G's monthly income of £2,416 using CATO, which was slightly less than the £42,000 annual income he'd provided in his application. They used Mr G's declared housing costs of £450 and relied on the CRA data to establish Mr G's monthly debt

commitments of around £358. Finally, they estimated Mr G's monthly non-discretionary spending to be around £605 and added an inflation buffer of around £88.

Based on these figures, and after factoring in the new loan repayment, Mr G was left with around £799 disposable income per month. So I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr G.

On each occasion, Oakbrook calculated a high monthly disposable income which left a lot of leeway for Mr G's actual expenditure to be higher than the statistical data suggested. All these loans were for relatively low amounts and had relatively low monthly repayments. This all meant it was likely Mr G could afford these loans without getting into financial difficulty. In fact, he repaid loans one, two and three early which also supports they were affordable in Mr G's circumstances.

Mr G has shared with us his vulnerabilities and the fact he was dealing with mental health difficulties and gambling-related issues. I thank Mr G for sharing this information and I appreciate he's been going through a difficult time. But I hope my decision has gone some way to explain why I don't think Oakbrook's checks needed to go further than they did, and why I don't think they would have been aware of his wider financial difficulties.

Overall, having considered everything, I'm persuaded Oakbrook acted fairly and reasonably when agreeing to provide these loans to Mr G.

In reaching my conclusions, I've also considered whether the lending relationship between Oakbrook and Mr G might have been unfair to Mr G under Section 140A of the Consumer Credit Act 1974 ("Section 140A"). However, for the reasons I've already given, I don't think Oakbrook lent irresponsibly to Mr G or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

For the reasons I've outlined above, I'm not upholding Mr G's complaint about OAKBROOK FINANCE LIMITED trading as Finio Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 March 2026.

Amelie Makris  
**Ombudsman**