

Complaint

Miss W has complained about a loan Oakbrook Finance Limited (trading as “Finio Loans”) provided to her. She says the loan was unaffordable, especially considering how much she had left, and so shouldn’t have been provided.

Background

Finio Loans provided Miss W with a loan for £2,00.00 in November 2024. This loan was due to be repaid in 36 monthly instalments of £106.74. One of our investigators reviewed what Miss W and Finio Loans had told us. And he didn’t recommend that Miss W’s complaint be upheld. Miss W disagreed and asked for an ombudsman to look at her 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 Miss W’s complaint.

Having carefully considered everything, I’ve not been persuaded to uphold Miss W’s complaint. I’d like to explain why in a little more detail.

Finio Loans needed to make sure that it didn’t lend irresponsibly. In practice, what this means is Finio Loans needed to carry out proportionate checks to be able to understand whether Miss W 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.

Finio Loans says it agreed to Miss W’s application after she provided details of her monthly income and some information on her expenditure. It says it cross-checked this against information on a credit search it carried out and all of this information showed Miss W could afford to make the repayments she was committing to. On the other hand, Miss W has said she shouldn’t have been lent to.

I’ve carefully thought about what Miss W and Finio Loans have said.

The first thing for me to say is that Finio Loans didn’t just simply accept what Miss W had told it. It carried out credit searches which showed that Miss W didn’t have any significant

adverse information recorded against her such as defaults or County Court Judgments (“CCJ”). Furthermore, the checks suggested that Miss W hadn’t taken any recent payday lending either.

Finio Loans asked Miss W about her income, which it cross-checked information from credit reference agencies against the amount of funds going into her main account, and also carried out a credit check. So it’s clear that Finio Loans did obtain a reasonable amount of information before it decided to proceed with Miss W’s application. Having looked at the results of the credit check, it’s clear Miss W had some existing debts.

However, while I accept that Miss W might not agree with this, I don’t think that these were excessive. This is especially as though Miss W was taking out this loan in order to consolidate some of her existing debts. Furthermore, as there wasn’t anything in the credit checks to indicate that Miss W had any significant adverse information – such as defaults or county court judgments (“CCJ”) – recorded against her there wasn’t anything to indicate that she was struggling to manage the debts she had either.

Miss W has said that the funds Likely Loans believes she had left over after the payment to this loan was deducted from her disposable income was insufficient. However, the amount Miss W was left with was significantly more than the amount of the monthly payment for this loan and this was with Finio Loans applying a buffer to what it determined as Miss W’s expenditure. So I don’t think that this was necessarily insufficient in the way that Miss W has said.

It’s also worth noting that Miss W has said she was going to use the funds from this loan to repay other debts. I don’t know whether Miss W went on to re-establish balances on any accounts cleared. But Finio Loans could only make a reasonable decision based on the information it had available at the time. It won’t have known whether Miss W would re-establish balances on her existing accounts – all it could do was take reasonable steps and rely on assurances from Miss W that the balances would be repaid with these funds.

So I’m satisfied that the proceeds of this loan could and should have been used to clear some of Miss W’s existing debt. This would have reduced her existing and left her with an increased disposable income.

Furthermore, as this was a first loan Finio Loans was providing to Miss W, there wasn’t a history of Miss W obtaining funds and then failing to consolidate debts elsewhere in the way she committed to either. So Finio Loans was reasonably entitled to believe that Miss W would be left in a better position after being provided with this loan.

I accept that Miss W appears to be suggesting that her actual circumstances may not have been fully reflected either in the information she provided, or the information Finio Loans obtained. However, 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 Miss W’s regular living costs.

I’ve not seen anything to indicate that Miss W’s actual living expenses together with any non-credit related but non-discretionary expenses significantly differed from the estimates that Finio Loans used. So I’m not persuaded that obtaining further information on Miss W’s actual living costs would have seen Finio Loans make a different lending decision in this instance.

Finally, while I’ve noted what Miss W has said about using her overdraft, this in itself doesn’t mean that she shouldn’t have been lent to either as there is no prohibition to a lender lending to a borrower in such circumstances. Finio Loans wasn’t required to take an in-depth look at Miss W’s overdraft usage as part of its assessment. More importantly and in any event, If

Miss W is unhappy at being allowed to use her overdraft in the way she says she was, this is a matter that she will have to take up with her bank rather than Finio Loans.

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

However, for the reasons I've explained, I don't think Finio Loans irresponsibly lent to Miss W or otherwise treated her 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.

Overall and having considered everything, I don't think that Finio Loans did anything wrong when deciding to lend to Miss W - it carried out proportionate checks and reasonably relied on what it found out which suggested the monthly repayments were affordable. And, in any event, I've not been provided with anything else that suggests Finio Loans doing even more, which on the face of things it didn't need to, would have prevented it from lending either.

As this is the case, I'm not upholding Miss W's complaint. I appreciate this will be very disappointing for Miss W. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Miss W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 23 February 2026.

Jeshen Narayanan
Ombudsman