

## **The complaint**

OAKBROOK FINANCE LIMITED trading as Finio Loans ('Oakbrook') provided Mr W with two loans:

- Loan one in June 2021 for £1,000. This was due to be repaid in 12 monthly instalments of around £91.
- Loan two in May 2025 for £2,500, for the purpose of a wedding. This was due to be repaid in 36 monthly instalments of around £133.

Mr W says the loans were provided irresponsibly.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

Oakbrook accepted our investigator's findings in relation to the first loan, so I've not investigated this further. But, for the avoidance of doubt, I will set out below the appropriate redress.

## **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 W's complaint about loan two. I'll explain my reasoning below.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr W's case.

I've decided the loan was provided fairly because:

- Before approving the application, Oakbrook verified Mr W's income using Current Account Turnover data and used statistical data to estimate his essential living costs. They also used his credit file to establish his monthly debt commitments.
- The credit file checks showed Mr W had around £12,500 external debt and he appeared to be managing these accounts well, with no missed payments, underpayments or arrears in the months leading up to the loan application. I appreciate what Mr W has told us about taking out a large loan shortly before this one, and how this further strained his finances. However, the checks carried out by Oakbrook didn't suggest he was struggling with his existing accounts and I wouldn't consider this level of debt to be concerning in the context of Mr W's annual income.
- Overall, I'm satisfied the checks were proportionate in the circumstances given the credit they offered and what they knew about Mr W's financial situation.

- Oakbrook's checks show they estimated Mr W's monthly income to be around £1,802, which is slightly less than the £28,500 annual income he'd provided in his application.
- Mr W stated in his application he had no housing costs, but Oakbrook used an average monthly amount of around £245. They relied on the credit file data to establish Mr W's monthly debt commitments of around £520 and estimated Mr W's other monthly non-discretionary spending to be around £611.
- Based on these figures, and after factoring in the new loan repayment, Mr W was left with a disposable income of around £292 per month. So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr W as the information they obtained suggested that the loan would be sustainably affordable.

This means I don't think Oakbrook did anything wrong when it provided loan two to Mr W.

I appreciate what Mr W has told us about being reliant on his overdraft and how his salary was absorbed by the overdraft each month. I'm sorry to hear about his financial difficulties 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.

I know this isn't the outcome Mr W hoped for. But for the reasons above, I'm not asking Oakbrook to do anything to put things right in relation to the second loan.

### **Putting things right**

Oakbrook accepted our investigator's view that loan one should be upheld. So, I don't think it's fair for them to be able to charge any interest or charges under that credit agreement. But I think Mr W should pay back the amount he borrowed. Therefore, in relation to loan one, Oakbrook should:

- Rework the account removing all interest, fees, charges and insurances (not already refunded) that have been applied. If the rework results in a credit balance, this should be refunded to Mr W along with 8% simple interest per year\* calculated from the date of each overpayment to the date of settlement.

AND

- Remove all adverse information regarding this account from Mr W's credit file.

OR

- If after the rework there is still an outstanding balance, they should arrange an affordable repayment plan with Mr W for the remaining amount. Once Mr W has cleared the balance, any adverse information in relation to the account should be removed from his credit file.

\*HM Revenue & Customs may require Oakbrook to take off tax from this interest. If they do, Oakbrook must give Mr W a certificate showing how much tax they've taken off if he asks for one.

Finally, I've also considered whether the lending relationships between Mr W and Oakbrook might have been unfair under Section 140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed above results in fair compensation for Mr W in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

### **My final decision**

My final decision is that I'm partially upholding Mr W's complaint about direct OAKBROOK FINANCE LIMITED trading as Finio Loans to put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 March 2026.

Amelie Makris  
**Ombudsman**