

The complaint

Mr F says Oakbrook Finance Limited, trading as Finio Loans, irresponsibly lent to him.

What happened

Mr F took out three loans from Finio as set out below.

loan	date	value	term	monthly repayments	status
1	02/02/2022	£1,000	12	£99.14	settled 3/22
2	21/11/2022	£2,000	24	£122.89	settled 10/24
3	08/11/2024	£2,000	24	£115.16	active

He says the loans were unaffordable and Finio didn't offer the right support when he rang to say he was struggling with repayments.

Finio says it carried out adequate checks that showed the loans were affordable for Mr F. When he notified it of a change in circumstances during the term of loan 2, it applied an affordable temporary arrangement on his account. He went on to contact it on multiple occasions and each time it supported him with various forbearance options. During the term of loan 3, he made six contractual repayments without advising Finio of any financial difficulties or any change in circumstances prior to raising this complaint.

Our investigator did not uphold Mr F's complaint. Mr F disagreed with his assessment and asked for an ombudsman's review.

I made some different findings to the investigator, so I issued a provisional decision. An extract follows and forms part of this final decision.

I asked both parties to provide any further comments or evidence for me to consider by 24 December 2025.

Extract from my provisional decision

Before lending Finio Loans gathered information from Mr F and external sources. It asked for his income, employment status and housing costs. It verified his declared income externally with one of the credit reference agencies that reports on current account turnover. It estimated his living costs based on national statistics. It added a buffer for inflation to loans 2 and 3. It checked his credit file to understand his credit commitments and repayment history. It asked about the purpose of the loans. Based on these checks combined Finio Loans concluded Mr F would have sufficient disposable income each month after taking on each loan.

I think these checks were proportionate given the term and value of the loans and the value of the monthly repayment relative to Mr F's income. And I find Finio made fair lending

decisions for each loan based on the information it gathered. I'll explain why.

There follows below an extract of some of the key data Finio reviewed to make its decisions:

<i>loan</i>	<i>monthly income</i>	<i>housing & living costs</i>	<i>credit repayments</i>	<i>this loan</i>	<i>disposable income</i>	<i>total debt</i>	<i>months since last default</i>	<i>months since last payday loan</i>
1	£1,721.85	£742.64	£177	£99.14	£703.07	£1,576	31	52
2	£1,730	£727.92	£307	£122.89	£572.19	£4,479	41	61
3	£2,175.17	£851.73	£183	£115.16	£1,025.28	£3,723	<i>none on file</i>	

This shows each loan was affordable on a pounds and pence basis. But more than that, it shows that Finio had the assurances it needed that Mr F was likely to be able to repay the loans sustainably – so without borrowing to repay or suffering some other adverse financial consequence. I say this as he was not over-indebted, his active accounts were up to date, there were no recent indicators of financial stress such as defaults or regular use of payday loans, and his credit commitments did not make up too high a proportion of his income.

I understand that at the time of loan 2 Mr F's full credit file may have shown a more recent payday loan. A consumer can see different entries to a lender for a number of reasons – such as not all lenders report to all the agencies or there can be timing lags. But I can only reasonably expect Finio to respond to the information its checks returned.

I have also considered that when Mr F applied for loan 3 he had only recently finished repaying loan 2. But his overall debt level had fallen and his salary had increased. His previous financial strain seemed well in the past, so I don't think the repeat lending here was indicative of harm.

Overall, I think it was fair for Finio to give each loan to Mr F.

Did Finio Loans act unfairly or unreasonably in some other way?

I don't think it did. Mr F feels he was unsupported by Finio when his circumstances changed early in loan 2 and he felt threatened by the talk of adverse information appearing on his credit file. But from what I have seen Finio offered Mr F different forbearance options, as it is obliged to. Equally we would expect it to make sure he understood how different options would impact his credit file. I appreciate his circumstances changed which made things harder for him temporarily, but equally a lender is obliged to report accurately how a borrower makes their contractual repayments.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Finio lent irresponsibly to Mr F or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

Finio did not respond. Mr F did and disagreed with my assessment. He said his financial difficulties would have been visible had proportionate checks been carried out. They would have contradicted the conclusion made in the provisional decision. He offered to provide statements and his full credit file showing this. His main points were that:

- Finio should not have relied on estimated living costs - this resulted in an inaccurate affordability assessment as his actual essential expenditure was considerably higher making the disposable income figures overstated.
- There were indicators of financial stress that should have prompted stronger checks – his own credit file contained a more recent payday loan; his bank statements at the time included gambling transactions; and his income and account activity were volatile.
- His early difficulty repaying loan 2 shows the assessment did not match reality and should have prompted a reassessment, not further lending.
- Instead of more checks, Finio relied again on estimates and incomplete data from the credit reference agency.
- The income figure Finio used for loan 3 showed a sudden increase. His income during this period was variable, and turnover-based income checks can be misleading, especially where gambling transactions or irregular patterns exist. His actual income should have been checked.
- Sustained repayments do not mean the lending was affordable – he often had to rely on overdrafts, juggle bills, and manage financial strain to meet repayments.

In summary, Mr F reiterated that he can provide bank statements and his full credit report for any dates required to support his comments.

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.

We've set out our general approach to complaints about unaffordable/irresponsible lending - including all of the relevant rules, guidance and good industry practice - on our website.

I have thought about all of Mr F's comments in response to my provisional decision carefully. I have not requested any additional evidence, and I anticipate this may frustrate him but the rules that govern our service allow for the ombudsman to decide what evidence needs to be considered. And here, as I remain satisfied the checks were proportionate, I need not see the evidence of what a fuller financial review may have shown the lender.

To be clear, I am not doubting Mr F's testimony that he was under financial strain and that his gambling was problematic, but given the value of the loans, the monthly repayments relative to Mr F's verified income and the results of the lender's credit checks I am satisfied that Finio's checks went far enough. And this is the point all of Mr F's arguments turn on.

He suggests Finio needed to use his actual income. Finio has explained that had it been unable to verify his declared income it would have requested proof of income. This is a reasonable approach given the type of borrowing. And the regulations do not require it to request proof of income, rather that it should use some type of independent verification as it did here each time.

Mr F also raises that he had repayment issues early in loan 2. The lender's notes show Mr F made his first contractual repayment and then no payment was received for the following two months. A payment was then made in March to bring the account up to date. Monthly payments were then received consistently throughout the term of the loan, and it was completed to term. Mr F told Finio that the issue with his repayments at that time was due to unforeseen employment changes. As his income had increased and his debt had decreased by the time he applied for loan 3, it was reasonable for Finio to conclude his finances had stabilised and he had indeed had a change in employment. There was no new adverse data on his file based on the credit check Finio completed.

It follows I am not changing my conclusion. I understand that this will be disappointing for Mr F. I accept the lender's checks may not have shown the full picture of his financial position, but its proportionate checks did not show he was under financial strain so I cannot fairly expect it to have made different lending decisions.

My final decision

I am not upholding Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 2 February 2026.

Rebecca Connelley
Ombudsman