

The complaint

Mr H is unhappy OAKBROOK FINANCE LIMITED trading as Oakbrook Loans provided him with four loans that were unaffordable.

What happened

Oakbrook provided Mr H with four loans:

- Loan one in December 2021 for £1,000. This was due to be repaid in 12 monthly instalments of around £106.
- Loan two in September 2022 for £1,000. This was due to be repaid in 12 monthly instalments of around £101.
- Loan three in July 2024 for £2,000. This was due to be repaid in 24 monthly instalments of around £117.
- Loan four in May 2025 for £11,000. This was due to be repaid in 48 monthly instalments of around £325.

Mr H made an irresponsible lending complaint in June 2025. He said Oakbrook's affordability assessments relied on averages and understated his existing commitments.

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

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

Mr H disagreed with our investigator, saying that Oakbrook should have reviewed his bank statements, especially considering how implausibly low some of his self-declared expenses were.

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 H's complaint. I know this is likely to come as a disappointment to Mr H, 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.

Fundamentally, 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 H.

Did Oakbrook carry out reasonable and proportionate checks?

Before approving the loan applications, Oakbrook:

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

I appreciate Mr H 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.

At each application, Mr H's external debt was low relative to his income and he was managing his existing accounts well. There were no defaults or County Court Judgments being reported.

I'm satisfied these checks were reasonable and proportionate given the credit they offered and what they knew about Mr H's financial situation. So, it was reasonable for Oakbrook to not go through a detailed expenditure assessment considering the information they gathered.

I also appreciate Mr H has provided a credit report which shows he had more lending than shown on Oakbrook's credit checks, specifically before loan three was approved. I can't explain why Oakbrook's checks show different information but CRAs can sometimes report different information, and Oakbrook weren't to know the information they obtained from one particular CRA was incomplete. So, I'm not persuaded they ought to have known about these additional loans or that they needed to carry out additional checks.

Did Oakbrook make fair lending decisions?

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

Loan one

Oakbrook carried out a credit check which showed no adverse information. Mr H had around £15,700 external debt and 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 H's monthly income of around £2,855 using CATO income verification. Mr H didn't provide any housing costs, so Oakbrook relied on an average amount of around £613. They relied on the CRA data to establish Mr H's monthly debt commitments of around £434. Finally, they estimated Mr H's monthly non-discretionary spending to be around £693.

Based on these figures, and after factoring in the new loan repayment, Oakbrook estimated Mr H would be left with around £1,007 disposable income per month. So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr H as the information they obtained suggested that the loan would be sustainably affordable.

Loan two

Oakbrook's credit check again showed no adverse information. It suggested Mr H's external debt has slightly reduced to around £13,900 and 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.

On this occasion, instead of relying on CATO income verification, Oakbrook verified Mr H's monthly income of around £3,009 using a pay slip. They used Mr H's declared housing costs of £875, relied on the CRA data to establish Mr H's monthly debt commitments of around £430 and estimated Mr H's monthly non-discretionary spending to be around £779.

Based on these figures, and after factoring in the new loan repayment, Mr H was left with around £824 disposable income per month. So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr H.

Loan three

Once again, Oakbrook's credit check showed no adverse information. Mr H's external debt had continued to decrease to around £11,100. 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 verified Mr H's monthly income of £3,363 using CATO, used Mr H's declared housing costs of £1,025 and his declared living expenses figure of £1,500. They then relied on the CRA data to establish Mr H's monthly debt commitments of around £523 and added an inflation buffer of around £98.

Based on these figures, and after factoring in the new loan repayment, Mr H was left with around £99 disposable income per month. So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr H.

Loan four

Oakbrook carried out the same checks on this occasion again. The credit check showed no adverse information and Mr H's external debt had further reduced to around £8,775. There were no missed payments, underpayments or arrears in the months leading up to the loan application.

Oakbrook verified Mr H's monthly income of £3,131 using CATO and they used Mr H's declared housing costs of around £1,062. Mr H said his living expenses were £280 but Oakbrook used a higher, average amount of around £493. They then relied on the CRA data to establish Mr H's monthly debt commitments of around £362.

This loan was a consolidation loan, which means some or all of the loan amount is used to automatically pay off existing debts direct to the creditors. Mr H had confirmed he wanted to repay two specific creditors which meant that Oakbrook estimated his remaining disposable income, after the debt consolidation, to be around £930.

So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr H.

I appreciate what Mr H has said about his declared living expenses in his application for loan four to have been implausibly low. But I'm satisfied Oakbrook's estimated monthly disposable income was high and left a lot of leeway for Mr H's actual expenditure to be higher than the statistical data suggested.

I've also thought about the detailed debt commitments Mr H provided and I can see they appear to be higher than what Oakbrook found in their checks. But I'm satisfied it was reasonable for them to rely on the information they obtained from the CRA and I wouldn't have expected them to look into this further based on the information they did obtain.

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

In reaching my conclusions, I've also considered whether the lending relationship between Oakbrook and Mr H might have been unfair to Mr H 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 H 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 H's complaint about OAKBROOK FINANCE LIMITED trading as Oakbrook Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 March 2026.

Amelie Makris
Ombudsman