

## **The complaint**

OAKBROOK FINANCE LIMITED trading as Likely Loans ('Oakbrook') provided Mr S with a loan in September 2021. The loan was for £8,900 and was due to be repaid in 60 monthly instalments of around £227. Mr S says the credit was 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.

## **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 S' complaint. 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 S' case.

I've decided the credit was provided fairly because:

- Before approving the application, Oakbrook verified Mr S' income using Current Account Turnover and used statistical data to estimate his essential living costs. They also used his credit file to establish his monthly debt commitments.
- The checks showed Mr S had around £10,800 external debt and he appeared to be managing these accounts well. A default had been recorded 71 months prior and a County Court Judgment 57 months prior, but there had been no further issues with Mr S' accounts since. So, whilst this information suggested Mr S had previously been in financial difficulty, this didn't appear to be the case anymore.
- Overall, I'm satisfied the checks were proportionate in the circumstances given the credit they offered and what they knew about Mr S' financial situation.
- Oakbrook's checks show they verified his monthly income as around £2,005, which is consistent with the annual income Mr S provided in his application.
- Oakbrook obtained a housing cost figure of £300 from Mr S' loan application and they relied on the credit file data to establish his monthly debt commitments of around £651. They also estimated Mr S' other monthly non-discretionary spending to be around £515.
- Based on these figures, and after factoring in the new loan repayment, Mr S was left with a disposable income of around £310 per month.
- So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr S as

the information they obtained suggested it would be sustainably affordable.

I appreciate Mr S has asked questions around the housing costs Oakbrook relied on, as the application evidence he received from them didn't show any housing costs. We asked Oakbrook for some further information about this and, whilst this doesn't appear in the main application document, I'm persuaded they've been able to evidence that the application details included a self-declared housing cost amount of £300.

Oakbrook have also told us they use the higher of either the self-reported amount or the average amount quoted by the Office for National Statistics ('ONS'). And the evidence they've provided suggests the ONS average figure they obtained was also £300. Mr S has questioned this, as his research suggests average rental figures in 2021 were much higher than £300. I appreciate this amount feels low and so I asked Oakbrook to evidence where they obtained it. Unfortunately, they've been unable to provide any further information.

Overall, though, I'm not persuaded this makes a difference. I say this because I'm satisfied Oakbrook obtained the housing cost figure of £300 from Mr S' application. So even though they've not been able to evidence where they obtained their average data from, I'm not persuaded they acted unfairly as Mr S told them his housing costs were £300 per month – and the loan was affordable based on this.

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

In reaching my conclusions, I've also considered whether the lending relationship between Oakbrook and Mr S might have been unfair to Mr S 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 S 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.

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

### **My final decision**

My final decision is that I'm not upholding Mr S' complaint about OAKBROOK FINANCE LIMITED trading as Likely Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 March 2026.

Amelie Makris  
**Ombudsman**