

The complaint

OAKBROOK FINANCE LIMITED trading as Likely Loans ('Oakbrook') provided Mrs G with a loan in August 2019. The loan was for £1,000 and was due to be repaid in 24 monthly instalments of around £65. Mrs G 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 Mrs G'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 Mrs G's case.

I've decided the credit was provided fairly because:

- Before approving the application, Oakbrook verified Mrs G's income using a bank statement and used statistical data to estimate her essential living costs. They also used her credit file to establish her monthly debt commitments.
- The checks showed Mrs G had around £9,100 external debt and she appeared to be managing these accounts well, with no missed payments, underpayments or arrears in the months leading up to the loan application. A default had been recorded 67 months prior but there had been no further issues with Mrs G's accounts since. So, whilst this information suggested Mrs G 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 Mrs G's financial situation.
- Oakbrook's checks show they verified her monthly income as £1,827 – which is what her bank statement showed.
- Mrs G stated in her application she had no housing costs, but Oakbrook used an average monthly amount of around £322. They relied on the credit file data to establish Mrs G's monthly debt commitments of around £563 (which included a repayment to her defaulted balance) and estimated Mrs G's other monthly non-discretionary spending to be around £499.
- Based on these figures, and after factoring in the new loan repayment, Mrs G was left with a disposable income of around £376 per month.

- So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mrs G as the information they obtained suggested that it would be sustainably affordable.
- I appreciate Mrs G's point about her overdraft usage and the fact she had taken out a short-term loan days before this one. She also feels Oakbrook should have seen she was a vulnerable consumer. However, I'm not persuaded Oakbrook's affordability checks needed to go as far as reviewing her bank statements, which means they wouldn't have been aware of this.
- I'm sorry to hear about Mrs G's financial difficulties following a drop in her household income in April 2020 due to Covid. I'm satisfied Oakbrook treated Mrs G with forbearance when she contacted them about her financial difficulties.

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

Finally, I can also understand why Mrs G would have been upset about receiving marketing emails after Oakbrook had defaulted her account. However, I'm satisfied Oakbrook apologised for this in their final response letter and clearly explained how Mrs G can opt out of marketing emails.

In reaching my conclusions, I've also considered whether the lending relationship between Oakbrook and Mrs G might have been unfair to Mrs G 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 Mrs G or otherwise treated her 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 Mrs G 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 Mrs G's complaint about OAKBROOK FINANCE LIMITED trading as Likely Loans.

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

Amelie Makris
Ombudsman