

The complaint

Mr F complains that Oakbrook Finance Limited irresponsibly lent to him. Mr F says sufficient checks weren't completed and Oakbrook lent when it shouldn't have.

What happened

Oakbrook provided Mr F with two loans. The first loan for £1,500 was taken in December 2024 with 24 monthly repayments of £103.65. Mr F took out a top up loan in July 2025 for £2,654.59 with 36 monthly repayments of £143.25.

When Mr F complained to Oakbrook, it didn't uphold any part of his complaint, so he referred it to the Financial Ombudsman Service where it was looked at by one of our investigators. Our investigator didn't think Oakbrook was wrong to lend either loan and didn't recommend that the complaint should be upheld.

Mr F disagreed. He said he was over-indebted at the time of the loans and proper checks would have revealed this. Mr F also said his declared wages included overtime pay and he was suffering with his mental health at the time.

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.

I've also taken into account the law, any relevant regulatory rules and good industry practice at the time the loans were offered.

Before lending money to a consumer, a lender should take proportionate steps to understand whether the consumer could repay without borrowing further or suffering significant adverse consequences.

A lender should gather enough information for it to be able to make an informed decision on the lending. Although the guidance and rules themselves didn't set out compulsory checks, they did list a number of things a lender could take into account before agreeing to lend. The key thing was that any checks needed to be proportionate and had to take into account a number of different things, including things such as how much was being lent and when what was being borrowed was due to be repaid. A lender should also take into account and react appropriately to what it knew about the consumer at the time it made its lending decision. Oakbrook has said when Mr F applied for the loan 1, he declared he was living with his parents and he wanted loan one to purchase a car. Mr F declared his annual income at the time of loan one as £30,457 and his housing costs as £450.

Oakbrook verified Mr F's monthly income using credit reference agency data and found he earned around £2,031 monthly at the time of loan one. It estimated his living costs using data from the Office of National Statistics (ONS) and worked out Mr F's living costs as £481.83. Oakbrook searched Mr F's credit file and found that Mr F had a historic default from 23 months ago and a historic County Court Judgement (CCJ) from 68 months ago. Mr F was still repaying the balance on both these accounts. Oakbrook worked out Mr F's monthly credit commitments as £302.17, this included his active accounts and his accounts with arrangements to pay. Oakbrook also added a buffer of around £74 and based on this, Mr F was left with sufficient income to meet his monthly repayments and have money left over.

I've thought about whether these checks were sufficient for loan 1, and I think they were, this was Mr F's first loan with Oakbrook, the repayment represented a small fraction of his income. Further, there was nothing within the results of the reasonable checks Oakbrook carried out that I think should have prompted it to take its checks further. Mr F says his credit file shows he was over indebted but that isn't what Oakbrook's search revealed. While Mr F had accounts in arrangements to pay, Oakbrook took his monthly repayments towards those accounts into consideration and Mr F was left with sufficient disposable income. I don't think Oakbrook acted unfairly when it lent this loan.

Loan two was a top-up loan – Mr F hadn't fully repaid loan one when he increased his borrowing with loan two. From what I can see, Mr F didn't demonstrate any problems keeping up with his repayment for loan one.

Oakbrook again verified Mr F's income using credit reference agency data and found his monthly income was around £7,175 even though Mr F declared a net annual income of around £25,200. Mr F declared his housing costs as £350 and his living expenses as £500. Oakbrook searched Mr F's credit file and found that his default and CCJ were older and the balances had reduced. Mr F was paying around £84 towards both those accounts, including his active credit accounts, Mr F was paying around £608 towards his monthly credit commitments. Oakbrook increased Mr F's declared expenses and worked out his living costs were around £777 and his housing was £500. This left Mr F with enough income to meet his monthly repayments and have funds left over.

Thinking about these checks, I think Oakbrook did enough and its checks showed Mr F could afford to repay his borrowing. I appreciate Mr F has said his income included overtime, however this isn't something I've seen information to show that he told Oakbrook at the time. This wasn't revealed through its reasonable checks at the time.

Mr F has said he was struggling with his mental health at the time, and while I'm sorry to read about Mr F's struggle, this wasn't something he made Oakbrook aware of or something it could have reasonably become aware of from its reasonable checks, so it couldn't take that into account.

Overall, I think Oakbrook's checks were sufficient for both loans and those checks showed Mr F could meet his monthly repayments on each loan. I don't think Oakbrook was wrong to lend either loan to Mr F in the circumstances.

Has Oakbrook acted unreasonably in some other way?

I've also considered whether Oakbrook acted unfairly or unreasonably in some other way, including whether its relationship with Mr F might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Oakbrook 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.

My final decision

For the reasons given above, I do not uphold Mr F's complaint or make any awards against Oakbrook Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 March 2026.

Oyetola Oduola
Ombudsman