

The complaint

Mr L complains Oakbrook Finance Limited trading as Finio Loans defaulted his loan account.

What happened

Mr L held a loan account with Finio. In March 2025, Mr L told Finio he was experiencing financial difficulties. Finio agreed payment plans in March 2025 and April 2025 that were broken. Finio sent him a notice of sums in arrears on 1 May 2025.

On 6 June 2025, Finio agreed to accept payments of £30 per month from July. It sent a letter to confirm the plan, which also said that if it hadn't already done so, it would send a default notice once his account was 65 days overdue. It would then default his account once it was 93 days overdue.

Finio sent Mr L a default notice on 9 June 2025 that asked him to repay his arrears by 26 June 2025. Mr L didn't repay the arrears or make the £30 payment due in July 2025. Finio then went on to default his account on 9 July 2025. After his account was defaulted, Mr L says he tried, but wasn't able to, repay his account in full online. Finio said it wouldn't allow him to do this because the account was in arrears. After Mr L repaid the outstanding balance in full, Finio said it would amend his credit file to show the debt was 'satisfied'.

Mr L complained to Finio about what had happened. He was also unhappy that Finio called him, including on weekends, and that some of its calls were 'silent'. In response, Finio said it had followed its processes correctly and its agent explained to Mr L, before his account was defaulted, what he needed to do to avoid a default. Whilst Finio said it had defaulted the account correctly, it acknowledged a problem with its systems that led to three of its calls being silent. Finio offered Mr L £25 compensation to be paid to his bank account.

Mr L referred his complaint to our service that Finio issued a default notice after he missed the first payment due on a reduced repayment plan, then defaulted his loan account shortly after he agreed another reduced repayment plan of £30 a month.

One of our investigators reviewed Mr L's complaint but didn't uphold it. They said Finio was entitled to send the default notice and default the account when it did so there was no need for Finio to remove the information recorded on his credit file. The investigator also thought the £25 compensation offered for the three silent calls was fair. Mr L didn't accept our investigator's opinion and reiterated his complaint points. He felt Finio had breached its obligations to him and asked for an ombudsman to review his complaint.

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 taken on board Mr L's comments about the repayments he missed and the plans he agreed. He also feels a default should be a last resort and Finio breached its obligations to him whilst he was in financial difficulties. However, Finio is obliged to follow the guidance set

out by the Information Commissioner's Office. This sets out that an account should be recorded as in arrears once three to six months of arrears have accrued. The terms and conditions of Mr L's account set out Finio's right to terminate the agreement and demand early repayment if he fails to make a repayment set out in the loan agreement.

The last contractual monthly payment was made in February 2025. Even if Finio had agreed to accept reduced repayments, it remains that Mr L wasn't making the contractual repayments set out in his loan agreement. Finio's letter of 6 June 2025 made it clear a default notice would be issued, if it hadn't already, and his account would be defaulted once it reached 93 days of arrears. This is what Finio went on to do.

So, Finio was entitled to issue a default once two contractual repayments had been missed, but it responded positively to Mr L's request for payment plans. These weren't kept to, and as the account was more than 93 days in arrears, Finio was entitled to record the account as in default. It updated his credit file correctly to show the account was 'satisfied' once the outstanding balance owed to it was repaid.

I note Mr L says Finio didn't meet its obligations to communicate with him about his arrears. I've not seen that Finio made any errors here. It sent him a letter setting out the arrears in May 2025. Even if the letter was not received, I have no reason to doubt it was sent and Mr L was already aware of the arrears on his account.

Mr L wasn't able to pay his account in full online but I don't think Finio made an error here. Instead, it seems this is how Finio has set up its systems. I don't think Finio treated Mr L unreasonably here and it's not for our service to tell Finio to change how it operates.

Mr L says Finio called him at weekends, but I've not seen that Finio breached any of its obligations in trying to reach Mr L. Finio accepted there appeared to be a system fault that led to three 'silent' calls. It doesn't appear that these caused significant inconvenience or distress. In the circumstances, I think Finio's offer of £25 compensation was reasonable.

I accept Finio said in one of its emails that it reported the default to the credit reference agencies on 11 July 2025, but other emails say it was recorded on 9 July 2025. This mistake was corrected within two hours, and I've seen nothing to suggest this matter caused Mr L significant distress or inconvenience that warrants further compensation.

I realise my decision will disappoint Mr L, but I've not seen that Finio made an error or breached any of its obligations to him whilst he was experiencing financial difficulties. So, I've not asked it to amend the information recorded on his credit file or pay him further compensation.

My final decision

Oakbrook Finance Limited trading as Finio Loans has already made an offer to pay £25 to settle the complaint and I think this offer is fair in all the circumstances.

So, if it hasn't already been paid, my decision is that Oakbrook Finance Limited trading as Finio Loans should pay Mr L £25.

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

Victoria Blackwood
Ombudsman