

The complaint

Mr G is unhappy OAKBROOK FINANCE LIMITED trading as Finio Loans ('Oakbrook') provided him with a loan which was unaffordable.

What happened

In February 2024, Oakbrook provided Mr G with a loan for £5,000. This was due to be repaid in 36 monthly instalments of around £270.

Mr G made an irresponsible lending complaint in September 2025. He said Oakbrook had acted irresponsibly by giving him this loan without the required affordability checks.

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

One of our investigators looked at Mr G's complaint but didn't find that Oakbrook had lent irresponsibly or that the loan was unaffordable.

Mr G disagreed with our investigator, saying that his existing debt was high at the time he applied for the loan which, he feels, outlined a clear risk that further borrowing would not be sustainable.

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

Did Oakbrook carry out reasonable and proportionate checks?

Before approving the loan application, Oakbrook:

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

I'm satisfied the checks were proportionate in the circumstances. Mr G appeared to be managing his existing accounts well. There was one default and a County Court Judgment ('CCJ') being reported but these dated back to 2018 and so were not indicative of any recent financial difficulties.

Oakbrook verified Mr G's declared income and the regulations specifically allow a business to use statistical data to estimate an applicant's expenditure, so they didn't do anything wrong by using such data here. I appreciate Mr G feels Oakbrook should have carried out a more detailed review of his expenditure using his bank statements but I haven't seen anything in the information Oakbrook obtained which ought to have prompted them to do further checks.

Did Oakbrook make a fair lending decision?

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

Oakbrook carried out a credit check which showed no recent adverse information. A default had been recorded 51 months prior, and a CCJ 68 months prior, but there had been no further issues with Mr G's accounts since.

He had around £19,400 external debt, with around £15,000 of this being a hire purchase agreement. He 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 G's monthly income of around £2,288 using Current Account Turnover (CATO) income verification. This appears to be slightly less than the £35,000 annual income he'd provided in his application. Mr G declared housing costs of £200 but Oakbrook increased this to around £286. They relied on the CRA data to establish Mr G's monthly debt commitments of around £1,022, which included £444 towards his default and CCJ debt. Finally, they added an inflation buffer of around £82 and estimated Mr G's monthly non-discretionary spending to be around £519.

Based on these figures, and after factoring in the new loan repayment, Mr G was left with a disposable income of around £109 per month. So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr G as the information they obtained suggested that the loan would be sustainably affordable.

I appreciate Mr G has told us he was in financial difficulty before taking out this loan, and I'm sorry to hear he has continued to struggle financially. But I hope my decision has gone some way to explain why I don't think Oakbrook's checks needed to go further than they did, and why I don't think they would have been aware of his wider financial difficulties.

I also noted Mr G's complaint point about this being a high-cost loan. However, I'm satisfied the cost is comparable to similar lenders offering similar products at the time this loan was approved.

Overall, having considered everything, I'm persuaded Oakbrook acted fairly and reasonably when agreeing to provide this loan to Mr G.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 March 2026.

Amelie Makris
Ombudsman