

## **The complaint**

Mr B is unhappy OAKBROOK FINANCE LIMITED trading as Oakbrook Loans provided him with a loan which was unaffordable.

## **What happened**

In August 2025, Oakbrook provided Mr B with a loan for £2,500. This was due to be repaid in 48 monthly instalments of around £81.

Mr B made an irresponsible lending complaint in October 2025. He said his application shouldn't have been accepted due to his inconsistent income and the fact he was gambling to cover his expenses.

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

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

Mr B disagreed with our investigator, reiterating his income wasn't consistent and he was clearly reliant on lending.

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

Did Oakbrook carry out reasonable and proportionate checks?

Before approving the loan application, Oakbrook:

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

I'm satisfied the checks were proportionate in the circumstances. Mr B appeared to be managing his existing accounts well. There were no defaults or County Court Judgments, or any other suggestion Mr B was struggling financially.

Oakbrook verified Mr B's declared income and the regulations specifically allow a business to use statistical data to estimate an applicant's expenditure, so Oakbrook didn't do anything wrong by using such data here. And alongside that, 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 B's circumstances, it doesn't end there. I need to consider whether Oakbrook made a fair decision to lend.

Oakbrook carried out a credit check which showed no adverse information. He had around £21,900 external debt and 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 B's monthly income of around £2,093 using CATO income verification, which appears to match the £30,000 annual income he'd provided in his application. Mr B stated in his application he was living with his parents and had no housing costs, but Oakbrook used an average monthly amount of around £407. They relied on the CRA data to establish Mr B's monthly debt commitments of around £610 and estimated Mr B's monthly non-discretionary spending to be around £636.

Based on these figures, and after factoring in the new loan repayment, Mr B was left with a disposable income of around £357 per month. So, I'm satisfied Oakbrook didn't act unfairly when they granted the loan to Mr B as the information they obtained suggested that the loan would be sustainably affordable. It also supports that, even though Mr B's debt to income ratio was fairly high, this didn't appear to cause him financial difficulties.

I appreciate Mr B has told us his income wasn't consistent, but Oakbrook were able to verify the income he provided in his application. So, I'm not persuaded they needed to look into this further. I also thought about what Mr B told us about his gambling and I'm sorry to hear he's been struggling financially. However, I'm not persuaded Oakbrook should have been aware of this based on the information they obtained at the time.

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

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

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

Amelie Makris  
**Ombudsman**