

## **The complaint**

Mr F complains that Oakbrook Finance Limited trading as Finio Loans reported information to the credit reference agencies (“CRAs”) that he says was inaccurate and unfair.

## **What happened**

In July 2025, Mr F entered into a 36-month fixed-sum loan agreement with Finio Loans. The loan was for £5,000, and with interest Mr F had to repay around £9,500 over the loan term.

Mr F later discovered Finio Loans had reported the outstanding balance of his loan to the CRAs as £9,360.40. He was unhappy the balance included the remaining interest due over the loan term, rather than the principal only, and complained to Finio Loans in August 2025.

Finio Loans said it was entitled to report the balance as inclusive of interest. Mr F disagreed. He said his other creditors only included the loan principal in the balance figure, and that Finio Loans should do the same. He referred his complaint to our service.

Our investigator didn’t think Finio Loans acted unfairly. In summary, she said that because the interest of this particular fixed-sum loan agreement was front-loaded, the loan balance did, in fact, include interest. She concluded that Finio Loans reporting the balance as inclusive of interest wasn’t unfair or unreasonable.

As Mr F disagreed, his complaint has come to me for a 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality. I’d like to assure both parties I’ve considered everything they’ve sent.

Having done so, I don’t intend to uphold Mr F’s complaint, for broadly the same reasons our investigator gave. I’ve explained why below.

### Credit file reporting

There’s widely used industry guidance, drawn up by the credit industry in collaboration with the Information Commissioner’s Office (“ICO”), covering how credit accounts should be reported to the CRAs. It’s set out in a document titled “Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies” (the “Principles”).

The Principles are a useful benchmark of good practice. They say information that is reported to the CRAs should be fair, accurate, consistent, complete and up to date.

With that in mind, I can understand why Mr F is unhappy with how his loan balance was reported. As his other creditors hadn't included interest in the balance figure when reporting his other accounts, that understandably gave him the impression that Finio Loans including interest here was inaccurate. I also accept that customer-facing credit file reports aren't always entirely clear about what, exactly, a "balance" figure ought to include.

But I don't think what other creditors do, or how clearly a CRA explains its terminology, is determinative here. What matters is whether Mr F's particular fixed-sum loan agreement was reported fairly and accurately. And I think the Principles, alongside the terms and conditions of the agreement, are the more helpful starting point.

The Principles explain that the "current balance" relates to the amount owed at a given point in time and that it "may be made up of a combination of the amount borrowed, interest and charges depending on the terms of the product." So I think the guidance clearly allows a lender, depending on the agreement terms, to include interest in the balance figure it reports.

I've carefully considered the terms of Mr F's fixed-sum loan agreement. In addition to interest being included in the total amount payable figure, under the subheading "Interest and APR" the agreement says:

"Loan Interest will be calculated and applied to your account balance at the outset of the loan for the agreed loan term..."

I think that makes the position under this agreement clear. The interest was front-loaded. That means the balance outstanding under the live agreement when Fino Loans reported to the CRAs in around August 2025 included the interest chargeable over the full term.

I appreciate that if Mr F ends the agreement early, he might be entitled to an interest rebate under the agreement's early repayment terms and sections 94 and 95 of the Consumer Credit Act 1974. But as Mr F hadn't exercised his right to settle early at the time of reporting, the full balance he had to repay included the interest chargeable over the full term.

I also haven't seen enough to persuade me this structure (involving front-loaded interest) was so unusual that Finio Loans should have reported the balance differently.

Taking the Principles and the terms and conditions of the loan agreement together, I find that Finio Loans' inclusion of interest in the balance figure it reported to the CRAs was fair, accurate, and in line with good practice.

#### Other fair and reasonable considerations

Mr F said that because he had difficulty making his repayments, Finio Loans ought to have known he was a vulnerable consumer in financial difficulty. He also highlighted the Financial Conduct Authority's Consumer Duty and says Finio Loans had a duty to avoid foreseeable harm and deliver good outcomes for customers in vulnerable circumstances.

He suggested that reporting the balance as inclusive of interest was unfair and may cause him harm because it could give other lenders the impression he borrowed more than he did.

I've thought carefully about Mr F's points about Consumer Duty, which requires firms to act to deliver good outcomes for its retail customers and to avoid foreseeable harm. While I'm satisfied it applies here, I think it's important to note the Consumer Duty doesn't substitute for or replace other applicable rules or guidance, but runs alongside them. And so when considering what's fair and reasonable in all the circumstances, I need to consider Finio Loans' obligations under *both* Consumer Duty and the Principles.

It's also worth noting Mr F's concerns over being caused harm are based on Finio Loans having provided inaccurate or misleading information. But as I already explained, I don't find that Finio Loans' inclusion of interest in the balance it reported to the CRAs was inaccurate or misleading. Because the information was correct, the foundation for Mr F's claim of foreseeable harm doesn't exist. So even if I accept Mr F was vulnerable, I'm not persuaded Finio Loans reporting his balance in this way would likely result in foreseeable harm.

In saying that, I accept I cannot be certain about how other lenders will interpret the information on Mr F's credit file. They might look at the balance and conclude Mr F had borrowed around £9,500 when he had only borrowed £5,000, despite the Principles clearly stating interest may be included. But Finio Loans is entitled to assume lenders will review credit files competently and in line with industry standards. Any potential misunderstanding from another lender doesn't make Finio Loans' reporting inaccurate or unfair, nor does it mean Finio Loans failed to avoid foreseeable harm by reporting correct figures.

Finally, I turn to Mr F's most recent concern — that because interest has already been added to the balance, Finio Loans could not provide appropriate forbearance (such as freezing interest) under a debt management plan.

While I appreciate his concerns, I should note that lenders have a variety of options for providing appropriate forbearance, including freezing, reducing, waiving or cancelling interest or charges. Given this flexibility, the fact the balance was previously reported as inclusive of front-loaded interest wouldn't prevent Finio Loans from providing appropriate forbearance. So I don't think Mr F's point makes Finio Loans' reporting unfair or inaccurate.

If Mr F is still worried that lenders may interpret his information differently, he can contact the CRAs to add a notice of correction to his credit file to make it clear the capital amount he borrowed was £5,000. Lenders would be able to see this notice when reviewing his file.

In summary, I find Finio Loans' decision to include interest in the loan balance it reported to the CRAs was fair and accurate. So I won't be directing it to take any further action.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 April 2026.

Alex Watts

**Ombudsman**