

The complaint

Mr H complains OAKBROOK FINANCE LIMITED (“Oakbrook”) provided him with multiple loans which were unaffordable.

What happened

Between April 2023 and June 2025, Mr H applied for four loans with Oakbrook:

- Loan one: £2,200, repayable over 36 months, with monthly installments of £107.76
- Loan two: £4,500, repayable over 48 months, with monthly installments of £146.00
- Loan three: £1,000, repayable over 12 months, with monthly installments of £106.50
- Loan four: £1,000, repayable over 36 months, with monthly installments of £51.63

The first three loans were settled, and the final loan was still active at the time of Mr H’s complaint.

Mr H complained to Oakbrook. He said the loan was unaffordable as he had other loans to pay at the time, and they shouldn’t ever have been approved.

Oakbrook responded to the complaint – they didn’t uphold it. They explained that when he applied for the loans, they looked at his declared income and expenditure along with data from the Credit Reference Agencies (CRAs), and having done so, they were satisfied he had enough disposable income to sustainably repay the loans.

Mr H referred his complaint to our Service. An Investigator here looked into things, and they agreed that Oakbrook had acted fairly. They felt that Oakbrook had completed proportionate checks, and fair lending decisions were made for all four loans.

Oakbrook didn’t respond, but Mr H did. He said he had other complaints with other lenders that were upheld, and therefore he feels this one should be too. An agreement couldn’t be reached, so 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 in agreement with the Investigator that Oakbrook haven’t treated Mr H unfairly. I know this is likely to disappoint Mr H, but I’ll explain my reasoning below.

The rules and regulations in place at the time Oakbrook provided Mr H with the loans required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an ‘affordability assessment’ or ‘affordability check’.

The checks had to be ‘borrower’ focused. This means Oakbrook had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr H. In other words, it wasn’t enough for Oakbrook to consider the likelihood of them getting the funds back or whether Mr H’s circumstances met their lending criteria – they had to consider if Mr H could sustainably repay the lending being provided to him.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Oakbrook did what was needed before lending to Mr H.

Loan one

When Mr H applied for loan one in April 2023, Oakbrook gathered information regarding his financial circumstances. It recorded that he was earning a salary of around £72,000 per year and had outstanding debt of around £170. He had no defaults at the time of application. This was collated using the information Mr H declared at application, and an external credit check, where they also verified his income using Current Account Turnover (CATO) checks.

I believe the checks Oakbrook carried out were proportionate, and considering the amount being provided to Mr H, and the information they gathered in these checks, I don't think they acted unfairly when providing him with the loan. I say this because it was for a relatively modest amount of £2,200, and there were no signs of financial difficulty in the past. It wouldn't be a significant cost for Mr H to repay this credit in a reasonable period of time based on his salary and existing credit commitments.

It therefore follows that I also feel the decision to lend to Mr H in April 2023 was fair.

Loan two

Oakbrook considered the same data when considering if he could afford loan two as loan one. They also had his repayment record for loan one as an indicator of whether he could sustainably repay loan two.

Loan one was settled in September 2023, and in March 2024 Mr H applied for loan two. Mr H declared his salary of £70,000 and the credit checks showed his external credit commitments had increased to around £6,000. The data this time also showed he had one default, 61 months ago and had obtained payday lending 67 months ago. It's not clear why this wasn't present at the point of application for loan one, but I don't think Oakbrook acted unfairly when they classed this as historic. He'd managed loan one well and repaid early, so although there were some indicators of financial difficulties in the past, everything recently had been much improved.

Therefore it follows I don't think they treated Mr H unfairly when approving the second loan, based on his declarations of income and expenditure and CRA data.

Loan three

Loan two was settled in full in May 2024, and he then applied for loan three in November 2024. Mr H's external credit commitments had increased again, but the earlier default had dropped off and there was no payday lending present. Based on the declared income and expenditure information, there was nothing to indicate Mr H would struggle to repay loan three. So, I think proportionate checks took place and a fair lending decision was made.

Loan four

Mr H repaid loan three in full in the same month it was provided to him. Then the final loan – loan four – was applied for in June 2025. This time, Oakbrook verified Mr H's income using a payslip. Mr H's external credit had increased, but the majority was non-revolving, meaning he had fixed monthly repayments, totalling around £680.

When Oakbrook took into account Mr H's income and expenditure as well as the information on his credit file, which was generally positive, the fourth loan was deemed affordable, and I agree.

I appreciate Mr H has other complaints that have been upheld, but each complaint is considered on its own merit, and while I won't comment on the others, I'm satisfied that Oakbrook completed proportionate checks and made a fair decision to lend for each of the loans.

In reaching my conclusions, I've also considered whether the lending relationship between Oakbrook and Mr H might have been unfair to Mr H under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Oakbrook did not lend irresponsibly when providing Mr H with the loans. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Mr H, I won't be upholding his complaint against Oakbrook for the reasons explained above.

My final decision

It's my final decision that I do not uphold this complaint against OAKBROOK FINANCE LIMITED.

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

Meg Raymond
Ombudsman