

The complaint

Mr S complains that Oakbrook Finance Limited trading as Finio Loans (Finio Loans) acted irresponsibly when they agreed to lend to him.

What happened

In July 2025, Mr S successfully applied for a loan with Finio Loans for £1,000 for the purpose of home improvements. Monthly payments were around £82 over 18 months with an APR of 69.9%. Mr S thought this lending was irresponsible and that adequate checks weren't carried out. He says that Finio Loans should've verified his income and expenditure and that if they requested documents like payslips or bank statements, they would have found that his declared salary was inflated by around £15,000. When Mr S raised his complaint in September 2025, he let Finio Loans know that he has ADHD and autism.

Finio Loans say that they verified Mr S' income using Current Account Turnover (CATO) and they used Office for National Statistics (ONS) data alongside credit file information and the information provided by Mr S in his application to find that the lending was affordable.

Mr S wasn't happy with Finio Loans' response and referred his complaint to us. Our investigator said that they thought the checks which Finio Loans carried out were reasonable and proportionate, and that they weren't required to verify Mr S' income further. They found that the decision to lend was fair.

Finio Loans didn't dispute this position, but Mr S did. In summary, he said that CATO is not verification of income as it assesses turnover and therefore is not sufficient. His actual income was £47,000 which he says was evident in bank statements and payslips. He also said that ONS data isn't sufficient to find his expenses, as Finio Loans ought to have known he was in a high level of debt with signs of vulnerability. Because the disposable income was calculated using these figures, he says it shouldn't have been relied on. He also doesn't think they took into account his autism and ADHD.

Our investigator gave subsequent correspondence saying that Mr S declared his gross annual income was £62,395 and it was reasonable for Finio Loans to rely on this in these circumstances. They clarified that CATO is an approved system used by lenders to verify income, which was used here. They explained that ONS data is a method allowed by lenders to get an estimate of what a consumer's expenditure is. They said that while a lender may need to make further checks in some circumstances, in this case they thought that the information showed that Mr S' existing credit was being managed well and that the loan was affordable. They also noted that a significant portion of the debt was a hire purchase agreement, which was secured lending.

Mr S didn't agree and thought this wasn't in line with requirements that lenders need to follow, for example that they need to consider actual expenditure where there are signs of financial strain. He didn't think it was correct that his overdraft use wasn't seen as a sign of financial distress. He also didn't think that his neurodivergence was properly considered and thought that it wasn't fair that the lender wouldn't have known, just because they were not told. He thinks they should have identified this through indicators which were present.

Mr S asked for an ombudsman to decide on the matter. So, the case 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.

While Mr S has provided detailed evidence of his complaint, and I've considered all the available information, I've not reflected every point that has been raised. No discourtesy is intended here, this is merely to reflect my informal role in deciding a fair and reasonable outcome. So, I've focused on what I think are the key issues of the complaint. If there is something I haven't mentioned, it isn't because I've ignored it.

I've considered what both parties have said about Mr S' lending with Finio Loans. Having carefully considered everything, I think that Finio Loans acted fairly and reasonably.

The relevant rules, regulations, and guidance at the time of Finio Loans' lending decision required them to carry out proportionate checks. While there isn't a defined list of checks a lender needs to carry out, such checks should be proportionate, considering things like the type, amount, duration and total cost of the credit, as well as the borrower's individual circumstances. These checks needed to assess Mr S' ability to afford the loan being approved and to be able to repay it sustainably, without causing him financial difficulties or harm.

It isn't sufficient for Finio Loans to just complete proportionate checks, they must also consider the information obtained from these checks to make a fair lending decision. I've considered the checks Finio Loans did and what they found from these checks.

Mr S said in his application that he had a gross annual income of £62,395. He said that he was a tenant with housing costs of £300 per month. Finio Loans used CATO to verify what Mr S said about his income and this resulted in a monthly income of £3,506, which is in line with the declared amount.

Finio Loans used information from the application, ONS data and Credit Reference Agency (CRA) data to find that Mr S had housing costs of around £334 per month and living expenses of around £728 per month. Where ONS data gave a higher expenditure figure than that declared in Mr S' application, they used the higher amount. Mr S had existing credit commitments of around £1,421 each month. After considering the loan repayments of around £82, this found that Mr S would have around £941 of disposable income remaining.

CRA data found that Mr S had a total balance of £41,916 in existing credit. This included loans with a balance of £7,565, eight credit or store cards with a total balance of £5,290 and a hire purchase account with an outstanding balance of £21,588. Mr S didn't have any defaults, and all accounts were up to date. There was no record of payday lending, County Court Judgments, bankruptcies or insolvencies.

Mr S says that Finio Loans ought to have verified his income and expenditure further. However, I don't think that there was anything that would have prompted them to take further steps than they did. Mr S' declared income was taken into account and the resulting CATO verification further supported this figure, I think it was fair for Finio Loans to rely on this information.

Taking everything into account, including the declared income level and the management of

Mr S' existing credit, I didn't think that the use of his overdraft and level of credit was such that this ought to have raised concerns. It is also noted that a significant portion was for a hire purchase agreement, which is secured lending. I don't think there was anything that ought to have prompted Finio Loans to verify Mr S' income or expenditure further and I think it was fair for them to rely on the data which they considered.

Taking into consideration the circumstances, I thought that the checks which Finio Loans carried out before lending were reasonable and proportionate to satisfy themselves that Mr S would be able to sustainably repay the borrowing. I also have to consider if, based on the information within these checks, the information was considered fairly.

Checks carried out by Finio Loans found that Mr S had a disposable income of £941 after the new loan payments were considered. I think this is sufficient for the loan to be affordable. Although Mr S had £41,916 of existing debt, taking into account the monthly existing credit commitments compared to Mr S' declared income level, this was not so high that I think it would have raised concerns without something more. I've also considered that Mr S was frequently in an overdraft, but this is not necessarily an indication of financial stress. The checks didn't show detail of how this was being used, and there was nothing from the information available that indicated that Mr S' overdraft use showed he was struggling financially.

Taking into account all of the circumstances of the case, including the management of existing credit, the size of the new loan, and the level of disposable income found, I think that the decision to lend was fair.

I've also considered whether Finio Loans have acted fairly in relation to Mr S' neurodivergence. Mr S has said he doesn't think it's fair to say that Finio Loans wouldn't have known of this simply because he had not told them. However, I don't think there was anything available in the application or prior to the complaint being raised that ought to have made Finio Loans aware of this. As such I don't think that Finio Loans acted unfairly in this regard or needed to take further action until they were made aware of this. At this point, I think that they took action to ensure this was appropriately considered.

In reaching my conclusion, I've also considered whether the lending relationship between Mr S and Finio Loans might have been unfair to Mr S under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Finio Loans did not lend irresponsibly when providing Mr S with the credit account or otherwise treat him unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons given above, I do not uphold this complaint against Oakbrook Finance Limited trading as Finio Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 May 2026.

Frances Kerslake
Ombudsman