

## The complaint

Miss E complains that Oakbrook Finance Limited trading as Finio Loans (“Oakbrook”) lent to her in an irresponsible manner.

## What happened

Miss E was given three loans by Oakbrook as shown in the table below.

<b>Loan Number</b>	<b>Borrowing Date</b>	<b>Repayment Date</b>	<b>Loan Amount</b>	<b>Term</b>
1	09/01/2024	Refinanced	£ 2,500.00	18 months
2	11/09/2024	Refinanced	£ 4,562.83	24 months
3	17/04/2025	Still Open	£ 5,400.00	24 months

Miss E’s complaint has been assessed by one of our investigators. He thought that the checks Oakbrook had done before agreeing each loan had been proportionate. And he thought that the results of those checks suggested that Miss E would be able to repay her borrowing in a sustainable manner. So the investigator didn’t think that the complaint should be upheld.

Miss E didn’t agree with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

## 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.

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint. We’ve set out our approach to unaffordable/irresponsible lending complaints on our website and I’ve kept this in mind while deciding Miss E’s complaint.

The rules and regulations at the time Oakbrook gave these loans to Miss E required it to carry out a reasonable and proportionate assessment of whether she could afford to repay what she owed in a sustainable manner. This assessment is sometimes referred to as an “affordability assessment” or “affordability check”.

The checks had to be “borrower” focused – so Oakbrook had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Miss E. In practice this meant that Oakbrook had to ensure that making the repayments wouldn’t

cause Miss E undue difficulty or adverse consequences. In other words, it wasn't enough for Oakbrook to simply think about the likelihood of it getting its money back, it had to consider the impact of any repayments on Miss E.

Checks also had to be "proportionate" to the specific circumstances of the loan application. In general, what constitutes a proportionate affordability check will be dependent upon a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, and any indications of vulnerability or financial difficulty) and the amount / type / cost of credit they are seeking.

In light of this, I think that a reasonable and proportionate check ought generally to have been *more* thorough:

- the *lower* a customer's income (reflecting that it could be more difficult to make any repayments to credit from a lower level of income);
- the *higher* the amount due to be repaid (reflecting that it could be more difficult to meet higher repayments from a particular level of income);
- the *longer* the period of time a borrower will be indebted for (reflecting the fact that the total cost of the credit is likely to be greater and the customer is required to make repayments for an extended period).

There may also be other factors which could influence how detailed a proportionate check should've been for a given application – including (but not limited to) any indications of borrower vulnerability and any foreseeable changes in future circumstances. I've kept all of this in mind when thinking about whether Oakbrook did what it needed to before agreeing to lend to Miss E.

The checks that Oakbrook performed before agreeing to lend to Miss E were repeated at the time of each application. Oakbrook asked Miss E for details of her income and verified the accuracy of her answer using a third party. It then used some industry statistical data to estimate Miss E's normal household living expenditure and increased the amount she said she paid in rent in line with that data. And Oakbrook checked her credit file to assess how much Miss E was repaying to other lenders, and how she had managed credit in the past. Although the credit check showed that Miss E had faced some problems around four years earlier I don't think it showed any evidence of more recent problems that should have caused additional concerns to the lender.

I think that the checks I've set out above were proportionate at the time of each loan. I think it is certainly true that the repeated nature of Miss E's borrowing, when she refinanced her loan on two occasions and around six months apart, might have caused some increasing concerns to Oakbrook. But against that Miss E was repaying both the loan she had from Oakbrook, and the other credit shown on her credit report, on time and without any apparent difficulties.

Oakbrook has explained that its lending model is to generally only offer a small loan at first, and then provide the opportunity for additional borrowing once a repayment track record has been established. During the time that Miss E was borrowing from Oakbrook her declared (and verified) income increased meaning that the money she would have left over each month, after making the repayments to Oakbrook, was greater at the time of the second and third application than it was when Miss E first asked to borrow.

I appreciate that Miss E says her true financial situation was far worse than the checks performed by Oakbrook showed. But since I think those checks were proportionate I don't

think it would have been necessary for Oakbrook to dig deeper into Miss E's circumstances. I think it was reasonable for Oakbrook to rely on the information Miss E provided and the results it received from its proportionate checks.

I can see that Miss E has faced problems repaying the third loan. But that in itself doesn't suggest that Oakbrook shouldn't have given it to her. Circumstances that might be apparent at the time a lending decision is made, might alter over the course of any repayment period. But unless those changes were reasonably foreseeable I don't think that means a lender should expect the changes and factor them into any lending decision.

I appreciate how disappointing my decision will be for Miss E. But, in summary, I think the checks Oakbrook did before agreeing each loan were proportionate, and I haven't seen any reason why the results of those checks should have led to the loan requests being declined. So I don't think this complaint should be upheld.

For completeness I've also considered whether Oakbrook acted unfairly or unreasonably in some other way given what Miss E has complained about, including whether its relationship with her might have been viewed as unfair by a court under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Oakbrook lent irresponsibly to Miss E or otherwise treated her unfairly in relation to this matter. And I haven't seen anything to suggest that s.140A would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

For the reasons given above, I don't uphold the complaint or make any award against Oakbrook Finance Limited trading as Finio Loans

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 7 May 2026.

Paul Reilly  
**Ombudsman**