

## The complaint

Mr D says Oakbrook Finance Limited irresponsibly lent to him.

## What happened

Mr D took out four loans from Oakbrook as set out below.

loan	taken out	value	term in months	monthly repayment
1	22/04/2021	£2,000	24	£151.86
2	09/05/2024	£5,000	36	£193.92
3	21/12/2024	£5,714.02	40	£208.08
4	06/11/2025	£9,714.32	54	£277.32

Oakbrook upheld Mr D's complaint about loan 1 due to low disposable income and defaults on his credit file, but not the subsequent loans. It said its proportionate checks showed Mr D would be able to sustainably repay loans 2, 3 and 4. Unhappy with this outcome Mr D brought a complaint to this service about loans 2, 3 and 4.

Our investigator said that Oakbrook's checks were proportionate and showed Mr D could afford to sustainably repay all three loans. He noted each loan settled the previous one.

Mr D disagreed with this assessment and asked for an ombudsman's review. He said, in summary, this was repeat lending and his indebtedness was increasing. He also still had unsettled defaulted debt. These factors should have prompted more rigorous checks, including his actual outgoings, not just estimates. A review of his bank statements would have shown regular gambling transactions, a low and variable account balance and evidence of financial pressure.

## 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.

We've set out our approach to considering unaffordable and irresponsible lending complaints on our website including the key relevant rules, guidance and good industry practice. I've had this approach in mind when considering Mr D's complaint.

Oakbrook needed to take reasonable and proportionate steps to ensure that it didn't lend to Mr D irresponsibly. This means it should've carried out reasonable and proportionate checks to satisfy itself that Mr D could repay the loan in a sustainable way. These checks could take into account a number of things such as the loan amount, the repayment amount and Mr D's income and expenditure.

This means to decide this complaint I need to consider if Oakbrook's checks were

proportionate; if so, did it make fair lending decisions; if not, what would proportionate checks most likely have shown; and finally, did Oakbrook act unfairly towards Mr D in some other way.

As the parties now agree that loan 1 should not have been given, I need not comment further on that. My focus here is on loans 2 to 4.

I've looked at the checks Oakbrook carried out. It asked Mr D for his income and housing costs. It verified his declared income and increased his declared housing costs based on national statistics, it estimated his living costs also using national statistics. It carried out a credit check to understand his existing monthly commitments and repayment history. It asked about the purpose of the loans for the borrowing that exceeded the outstanding balance on the previous loan(s). From these checks combined it learnt that Mr D would have a monthly disposable income of at least £700 for each loan and so concluded they were affordable.

I think these checks were proportionate given the loan values and the monthly repayments relative to Mr D's income. Mr D has challenged this finding on the basis of the repeat lending and his previous financial difficulties. But his comments do not change my finding. Whilst lenders need to consider the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable it does not automatically mean a fuller financial review – such as requesting banks statement as Mr D says – is needed. Oakbrook needed to assess the overall pattern of its lending history with Mr D, with a view to seeing if there was a point at which it is evident that further lending would be unsustainable, or otherwise harmful. I don't think the lending reached that stage here as the checks showed at each application that Mr D had ample disposable income, was managing his existing credit well and was not over indebted.

I find all three lending decisions were fair based on the information gathered. I'll explain why.

As I've said, the affordability assessment for each loan showed Mr D would have in excess of £700 disposable income. The checks showed his verified income had increased substantially since loan 1. And his finances had stabilised. When he applied for loan 2 it had been 70 months since his last delinquency. He was still repaying his historic defaulted debt, but the cost of this was taken into account. As the defaults were by this stage historic, I would not see them as a reason to decline his applications. There was no new adverse information at the time of any of the applications. Whilst Mr D's debt did increase, the credit checks showed it remained manageable relative to his income. For example, by loan 4 the checks showed he needed to spend 22% of his income on his credit commitments, an amount which need not to have concerned Oakbrook. And after settling loan 3, the £5,000 balance of the loan was for debt consolidation so it was not wholly incremental debt.

I have thought carefully about the number and frequency of the loans and Mr D's point about repeat lending. But we are an evidence-based service and in the circumstances of this case I cannot see there was data from the proportionate checks that showed the lending could be harmful. It follows that I don't find Oakbrook was wrong to give loan 2, 3 or 4 to Mr D. To be clear, I don't doubt Mr D's testimony that he was gambling, and under financial pressure, but this was not evident from Oakbrook's checks and it would not have been proportionate for it to carry out the level of financial review needed to possibly discover this.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Oakbrook lent irresponsibly to Mr D or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

**My final decision**

I am not upholding Mr D's complaint.

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

Rebecca Connelley  
**Ombudsman**