

The complaint

Miss B complains that Oakbrook Finance Limited trading as Finio Loans ("Finio") irresponsibly provided her with a personal loan in January 2025 for £2,000 which she couldn't afford and which increased her financial difficulty.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

Having done so, I've come to the same conclusion as to that of our investigator and for broadly the same reasons.

I'm aware that I've summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website and I've taken this into account in deciding Miss B's case.

I've decided the credit was provided fairly because:

- I think the checks Finio did before providing the credit were reasonable and proportionate given the loan amount it offered and what it knew about Miss B's financial situation.
- Finio didn't just simply accept what Miss B said. It carried out a credit check which showed that Miss B had no recent adverse information on her credit file. I don't think that it was unreasonable to rely on Miss B's declarations after it confirmed her income and expenditure which suggested that the repayments were affordable. I say this as from the information Finio gathered and the evidence I've seen, Miss B was left with a sufficient disposable income each month with which to afford the new

monthly loan repayment. So I think the repayments for this loan, in the absence of any concerning evidence, appeared affordable.

- Miss B has pointed out that she had an historical debt recovery order (“DRO”) showing on her credit file. But that ended in April 2021 and so was in the true sense of the word, “historical”. And a DRO that ended almost four years before this loan was granted, wouldn’t have been an indication of her financial situation at the time of taking out the loan. Whilst businesses can take into consideration historical DRO’s in reviewing the consumers overall financial picture, the presence of one that has ended can signify that a consumer is now on the road to financial recovery. And consumers that have historical DRO’s should never be discriminated from obtaining future credit due to this fact.
- Based on the information Finio gathered and what it knew about Miss B’s circumstances, there was nothing to suggest that Miss B was likely to be unable to sustainably repay the credit she was afforded in a reasonable period of time.
- I haven’t seen any evidence that would suggest to me that Miss B was suffering financial difficulty at the time of the application. I say this as she had no recent adverse information which suggested she was managing her other credit commitments well.
- I accept that Miss B appears to be suggesting that her actual circumstances may not have been fully reflected either in the information she provided, or the information Finio obtained.
- However, I’ve not seen any evidence that Miss B made Finio aware of these circumstances until she made her complaint to it and nor would it have been evident from the information it obtained. At the time of the applications Miss B declared she was working full time and living with her parents. From reviewing the bank statements provided, I can see Miss B’s net income did fluctuate but on average, Miss B was earning more than what Finio had assessed she was earning on top of an inflation buffer it added.
- But it’s only fair and reasonable for me to uphold a complaint in circumstances where a lender did something wrong. Given the amount of the monthly repayments, the disposable income that appeared to be left each month and the lack of other obvious indicators of an inability to make the monthly repayments in the information Finio did obtain, I don’t think that reasonable and proportionate checks would have extended into requesting the information that would have shown Miss B’s personal circumstances at the time.
- At best, even if I were to accept that further checks were necessary, which I’m not necessarily persuaded is the case here, any such checks would only have gone as far as finding out more about Miss B’s regular living costs. And I don’t think that conducting a full financial review – which was really the only way that it might have been able to find out the full extent about Miss B’s circumstances - was the only way that Finio could have done this. And given the fact that Miss B had wanted and applied for this loan, I’m not sure she would have disclosed her full financial situation in the knowledge that if she had, the loan may not have been approved.

- Miss B has disclosed some sensitive medical information to us which I'm grateful for and I acknowledge that the condition she's disclosed would be challenging for her. However, I've not seen any evidence that Miss B disclosed this to Finio until around the time she made her complaint.
- I don't think Finio acted unfairly in any other way.

This means I don't think Finio did anything wrong when it provided the loan to Miss B.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Finio lent irresponsibly to Miss B or otherwise treated her unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Miss B hoped for. But for the reasons given above, I'm not asking Finio to do anything to put things right.

Although I'm not upholding this complaint, I'd like to remind Finio of its ongoing responsibility to treat Miss B with forbearance and due consideration moving forward.

My final decision

My final decision is that I'm not upholding Miss B's complaint about Oakbrook Finance Limited trading as Finio Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 5 May 2026.

Paul Hamber
Ombudsman