

The complaint

Miss P has complained to us about the irresponsible sale of loans given by Oakbrook Finance limited trading as Oakbrook ('Oakbrook').

What happened

Miss P has complained about four loans: £1,000 over 12 months at £106.50 per month in July 2019, £2,983.74 over 36 months at £157.61 per month in March 2020, £3,936.95 over 30 months at £227.43 a month in December 2020 and £4,120.53 over 30 months at £222.17 a month in November 2021. The second, third and fourth loans were consolidating the previous loans.

Oakbrook thought the lending decisions were reasonable. Miss P didn't agree and brought her complaint to this service. One of our investigators looked at everything provided and thought that this was a complaint that we couldn't uphold. Miss P objected to the outcome reached by the investigator. So, the complaint was referred to an ombudsman for a review.

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 read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Oakbrook will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Our investigator's assessment provided a detailed account of all the increases of credit and they are summarised above. Neither party has called the specifics into question, so, I don't intend to cover them off here.

Miss P's complaint is that Oakbrook made loans available that were unaffordable. Oakbrook has explained that it relied in part on information that Miss P provided at the times of application and Office for National Statistics data to assess affordability. They said they carried out credit searches in Miss P's name to assess Miss P's level of debt at the times of each lending decision and to understand how she had been managing that debt. With that information and using their own scoring metric, Oakbrook decided to agree to the four loans Miss P is complaining about.

The Oakbrook checks showed that Miss P had only modest amounts of other borrowings both in themselves and when compared to her declared income and assessed expenditure at the times of each lending decision.

And I have noted that Miss P's credit file was reasonably clean at the time of each loan application. When I say this, I mean that Miss P's management of her existing credit showed no recent history of CCJ's, defaults or any late payments. I have read the credit report that Miss P provided and nothing in that undermines the credit information Oakbrook says it considered when making their lending decisions. So, the information that Oakbrook had presented to it and which it acquired, suggested that at the time the lending decisions were made, Miss P was affording her existing credit.

Having considered the above, I don't think that the information that Oakbrook had at the time of the lending decisions, would have led them to feel they ought to make more searching enquiries of Miss P's financial situation. So, Oakbrook were not put on notice of any reason not to agree any of the loans from any of the above.

I have considered that the lending to Miss P was at intervals which does not suggest an over-reliance on credit as her representatives have asserted. And Oakbrook had experience of Miss P's management of her existing loan with them for each subsequent lending decision. I have seen insufficient in Miss P's past use of credit from Oakbrook that would have led them to want to avoid providing further lending to her.

I have to look at the information that was available to Oakbrook at the time it made their lending decisions and not to use hindsight. I have seen insufficient evidence that the other information that Oakbrook acquired or had presented to them at the time of the lending decisions, would have led them to think that they were remiss in not checking Miss P's income and expenditure more closely.

So, having considered all the submissions made in this case, I have seen insufficient evidence to think that the loans Oakbrook provided to Miss P were unreasonable.

My final decision

For the reasons given above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 15 February 2024.

Douglas Sayers
Ombudsman