

The complaint

Ms C complains that Bamboo Limited lent to her when she was not able to afford it.

Ms C also complains that she cannot afford to repay the capital of the loan and wants it written off.

In addition, Ms C complains about an assignment document and that the solicitor for one of the parties involved has been contacting her too much.

What happened

Ms C took a loan of £5,000 from Bamboo in April 2021. The interest due was £3,685 (rounded) and was repayable over four years at around £181 each month. The total to repay was £8,684.76.

Ms C made five payments towards the loan for the first five months of the agreement and paid a total of £904.65. Payments then stopped after 28 September 2021. The statement of account sent to us indicates that the debt remained at £7,780.11.

On 24 May 2022 the debt was assigned to a third party – a financial services company. The assignment of the debt means that Bamboo no longer owns it. That financial services company instructed solicitors not Bamboo.

In May 2023, Ms C complained to Bamboo about the initial lending decision and she received a final response letter (FRL) from Bamboo dated 4 October 2023 in which it said it upheld her complaint. Its proposed resolution was to offer:

‘...to waive all of the £3,684.76 interest due under this agreement. If you accept this offer, we will contact [the financial services company] and make arrangements for this adjustment to be made to reduce the outstanding balance.’

It went on to explain in the FRL that as the capital had not been paid, no refund to her was due. A balance remained to be paid off.

Ms C referred the complaint to the Financial Ombudsman Service in October 2023. In her complaint form Ms C acknowledged that Bamboo had *‘wiped all interest’* but she cannot afford the original loan amount and she gave us a few reasons as to why. She wants the debt to be *‘wiped out due to the irresponsible lending in the first place’*. Ms C says *‘they’* by which I think she means Bamboo, have a lawyer who is *‘constantly hounding’* her. Ms C wants a copy of the assignment document in which she says there was a mistake.

Correspondence from the solicitors acting for the financial services company have confirmed that the file relating to the debt is on hold while the complaint is investigated .

After the complaint had been referred to the Financial Ombudsman, we wrote to Bamboo and it responded with documents and a set of submissions relating to the complaint. These are summarised here:

- Bamboo offered in the FRL to reduce Ms C’s current outstanding balance by the full interest payable on the agreement of £3,684.76. No response was received by Ms C.
- Bamboo does not accept that there are any grounds for the remaining capital

balance to be written off

- The downturn in Ms C's circumstances occurred after the loan had been approved in April 2021.
- Bamboo has not instructed any solicitors. The financial services company which owns the debt may have done.

Our investigator received information from Bamboo in February 2024 that it had not made any adjustments to the outstanding balance with the financial services company as it was still awaiting acceptance of it from Ms C. It went on to confirm:

'...we are still happy to honour our offer to reduce the balance by £3,684.76 – the equivalent to all of the interest and remove all negative information from the customer's credit file should they wish to accept our offer.'

The removal of all negative information from the credit file is a new element to Bamboo's offer.

Our investigator endorsed the irresponsible lending complaint and as Bamboo had improved its offer to Ms C by adding that it would amend Ms C's credit file then our investigator included this in her recommended outcome.

Our investigator's view was that the remaining balance was not something she felt was fair to ask Bamboo to write off as Ms C had received the capital sums and had had the benefit of the money. She felt it was right that Ms C repaid that.

Our investigator reiterated that the solicitors are acting for the financial services company and not Bamboo. She suggested Ms C contacts that company or the solicitors and recommended that Ms C agrees to a suitable repayment plan.

As for the copy of the assignment deed, Bamboo has given us justifiable reasons as to why it will not send Ms C a copy, plus the solicitors acting for the financial services company has sent to Ms C a redacted copy. So, our investigator did not think she could recommend any further course of action for Bamboo to do about this issue. It was a matter for Ms C and the solicitors.

Ms C responded to say that her situation had deteriorated further and she could not afford to repay the loan. But when asked by our investigator to send in more evidence or information Ms C told us that she has none to send.

Ms C wanted an ombudsman to review the complaint and so it was 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.

Irresponsible lending

We've set out our general approach to complaints about unaffordable/irresponsible lending - including all the relevant rules, guidance, and good industry practice - on our website.

Bamboo has upheld the irresponsible lending part of this complaint and has improved its offer to include amendment of Ms C's credit file. So, there is no need for me to look into this part of the complaint. I endorse Bamboo's uphold and its additional offer to amend Ms C's credit file.

Capital sums write off

Another part of this complaint is that Ms C wants the capital sum to be written off and I have considered that carefully. However, apart from a summary of her change in working hours from full time to part time, and that she is caring for her elderly parent, then I have been provided with nothing else. I have no details about her financial situation. And Ms C has said she's no further evidence to send.

In the circumstances there is no persuasive evidence to recommend that the capital sum should be paid off. Ms C has had the benefit of the £5,000 capital sum lent to her in April 2021. That accords with the Financial Ombudsman usual approach to circumstances like this. It needs to be repaid. I do not uphold this part of Ms C's complaint.

Copy document request

The deed of assignment document issue has been explained to us by Bamboo that it has justifiable reasons not to forward to Ms C a copy. These surround issues of confidentiality and I accept those reasons. The financial services company has already been in touch with Ms C about the amended deed as I have seen that correspondence between the solicitors and Ms C. I say no more about this part of the complaint.

Harassment claim

I have seen no evidence from any of the parties as to the number of times Ms C has been contacted about the debt, or the way any of them have contacted her. So, I can make no findings surrounding that part of the complaint relating to '*constant harassment*' as Ms C alleges. In any event, the third party is the owner of the debt now and so any issues need to be addressed to that party, not Bamboo.

Putting things right

A detail I have been provided with is that Ms C has paid five instalments of the loan up to 28 September 2021. That amounted to £904.65.

Bamboo has offered to remove the interest of £3,684.76 leaving the £5,000 capital due in principle (less the sums Ms C has already paid). As it no longer owns the debt Bamboo either must buy back the debt and sort this out itself or liaise with the owner of the debt to ensure that this sum is removed.

Bamboo needs to do as follows within 28 days of the acceptance of this final decision if Ms C does accept it:

- arrange with the third party the removal of the interest figure of £3,694.76 as it has offered to do; and
- the £904.65 already paid is to be applied to reduce the £5,000 capital; and
- Bamboo must arrange with the debt owner for the removal of any adverse payment information about the loans from Ms C's credit file from April 2021 to date. However, Ms C needs to appreciate that her credit file will continue to be refreshed with information about this loan until it is paid off.

My final decision

My final decision is that I endorse the offer that Bamboo Limited has made to Ms C and has agreed to carry out together with the additional part relating to Ms C's credit file. It has already made an offer to pay a sum to settle the complaint and I think this offer is fair in all the circumstances. To that extent I uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or

reject my decision before 9 May 2024.

Rachael Williams
Ombudsman