

The complaint

Mr Y complains Bamboo Limited is holding him liable for a loan that he didn't initiate.

What happened

Mr Y had an account with a business who I'll refer to as "H" throughout the rest of this decision. He no longer has the account as it's been closed.

Mr Y says he was contacted on social media by someone who said they'd be able to help him claim back unlawful bank charges, amongst other things, on a no-win no-fee basis. He says he believed they were genuine as he was aware of people getting bank charge and insurance payment refunds. So, he gave them his details and received what he says he believed to be the refund he'd been promised. In fact, he says the payment he'd received was as a result of his car insurance payments having been reversed. Mr Y says he paid the person he was speaking to half the refund he'd received as he'd agreed to pay them 50% of anything they managed to recover before realising it wasn't a genuine refund.

Mr Y says the person he was speaking to asked him whether he'd be interested in taking out a loan. He says he trusted the person by then given the refund he believed they'd arranged and so said he was interested in taking out a £4,000 loan. Mr Y says he subsequently received £10,000 rather than the £4,000 he was expecting and that he was furious about this. He says he was told he needed to pay £6,000 into an account whose details he was provided as a mistake had been made and he'd be sent confirmation that he didn't owe any money. He says he was told he'd then receive another £4,000 to rectify what had happened and that he needed to transfer this money into accounts whose details he was also provided. In other words, Mr Y says he received what he was told were loan proceeds and that he paid these proceeds into accounts whose details he was given. Mr Y says he was tricked into doing so. He received the £4,000 in two batches of £2,000.

Mr Y says he realised he'd been scammed shortly afterwards and contacted H asking it to help him recover the payments he'd made to the accounts whose details he was given. He says H looked into his claim and told him that it had managed to recover just over £4,000 from the accounts in question. He says that he wasn't able to withdraw this money and that he was contacted by Bamboo saying that he'd taken out a £2,000 from them and needed to start repaying that loan. Mr Y complained to Bamboo saying he hadn't initiated the loan that it was saying he'd taken out and that the loan had been taken out fraudulently by scammers.

Bamboo looked into Mr Y's complaint and said that the loan in question had been applied for online using all of Mr Y's correct personal details – with the possible exception of his mobile number – and had been paid into his account with H. In the circumstances, Bamboo didn't uphold Mr Y's complaint as it wasn't satisfied that the loan had been applied for without his knowledge or consent. Mr Y was unhappy with Bamboo's response and so complained to us saying that Bamboo had no right to hold him liable for the loan and that it needed to raise an indemnity claim against H as its back office was holding onto the £4,000 it had recovered.

One of our investigators looked into Mr Y's complaint and said that Bamboo hadn't acted unfairly or unreasonably. Mr Y disagreed strongly saying that our investigator had ignored

the fact that H had told him it had recovered £4,000 and Bamboo needed to raise an indemnity claim. He also said that our investigator had shown bias, and cherry picked their way to their conclusion and gave examples of this. Ultimately Mr Y asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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.

Last month I issued a provisional decision saying the following:

“Having spoken to Mr Y at length, I can see why he believes that H not only managed to recover £4,000 from accounts he says he was scammed into paying money to but also why he believes H's back office is holding that money and waiting for Bamboo to make an indemnity claim. That's because H sent Mr Y a letter on 14 July 2023 saying:

“You called us on 30 June 2023 to report a scam on your account and we provided you a partial refund for £4,150. We have since discovered that the external payments have been facilitated by fraudulent loans from external loan companies. You would therefore need to contact these companies to advise them of what has happened so they can unwind these loans and recover and funds for you.”

The letter did, however, go on to say:

“We will need to remove the £4,150 that was paid to you as the matter has been resolve and we will no longer be proceeding with the scam case from your side. The £4,150 will be debited from your account on 28 July 2023.”

I'm satisfied that the £4,150 H initially refunded was removed from Mr Y's account with H – in other words, that was debited from his account on 28 July 2023 – and, more importantly, that the money that H refunded and debited from Mr Y's account isn't available for Bamboo to claim back. I'm satisfied that this letter was written before H decided to close Mr Y's account, and that matters moved on. I'll explain what I mean.

I can see that Bamboo spoke to H several times in the course of investigating his complaint that a £2,000 loan had been taken out fraudulently in his name including speaking to H in August and December 2023. I've listened to those calls, and I'm satisfied that H confirmed that it had recovered £4,000 but that it subsequently reversed the refund and took the decision to close Mr Y's account as it had concerns. In other words, H confirmed that it's no longer the case that H is holding £4,000 and waiting for Bamboo to make an indemnity claim. That means the only issue I have to decide is whether or not Bamboo acted fairly and reasonably when it said that it was holding Mr Y liable for the £2,000 loan which was taken out using his details and paid into his account.

Mr Y says that he was tricked into making payments to the scammers he was speaking to from his account with H. He says, for example, that they tricked him into believing that money that had been paid into his account was a refund of bank charges when in fact his car insurance payments had been reversed and that he paid half of this money to the scammers. And he's saying the same about the proceeds of the loan from Bamboo.

I can see that H had concerns about some of the payments Mr Y was sending and

spoke to him on the phone to check he wasn't being scammed. I've listened to one of those calls in which Mr Y claims that the person he's sending money to is a friend he's known for a long time, and that the payment he's sending is for a car and that he'd previously bought and received a laptop from them. Mr Y is now saying that the person he was sending money to was a scammer rather than a friend and that the payments he made were fees for help with recovering bank charges or payments to correct mistakes made when he applied for a loan. But if that was the case, it's unclear why Mr Y would have told H something that wasn't true.

I accept that the mobile phone number given when the Bamboo loan was applied for isn't the mobile phone number that H has on its records, or our service. However, all of the other details – including the address of the applicant and their email address – match meaning the loan documentation and scam warnings were sent to Mr Y's correct contact details. And more importantly the proceeds of the Bamboo loan were paid into Mr Y's account with H, and that Mr Y was aware he'd received this money and paid the proceeds to an account whose details he'd been given. The main beneficiary was the same person who Mr Y had told H was a friend who he'd known for a long time, and who he'd bought a car and a laptop from. In the calls I've listened to Mr Y says on one occasion that he has two mobile phones – one of which is his work phone – and on another occasion he says that he has one mobile phone and had another model which he'd not used for a year. Mr Y says that his mobile phone was affected by malware at the time and he had no knowledge of the loan and appears to suggest he didn't make the payments out of his account to H to the scammers.

Based on everything I've just said, and having looked into the investigation that Bamboo did before saying that it was going to continue to hold Mr Y liable for the loan that had been paid into his account, I'm not minded to say that Bamboo has acted unfairly or unreasonably. I'm not, therefore, minded to uphold this complaint."

Both parties were invited to respond to my provisional decision. Neither did.

Having reconsidered everything again, I have no reason to depart from my provisional decision. I'm, therefore, not going to uphold this complaint for the reasons I gave in that provisional decision.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 26 June 2024.

Nicolas Atkinson
Ombudsman