

The complaint

Mrs M complains Bamboo Limited (“Bamboo”) is holding her liable for a loan which she says was taken out fraudulently in her name.

What happened

Around September 2023 Mrs M came across a company, C, claiming to offer a low-risk investment opportunity. She says C claimed to be connected to a well-known public figure, and to hold international offices – including in the UK. Mrs M decided to invest with them. Unfortunately, C were operating a scam.

In November 2023, Bamboo received, and approved, an application for a £15,000 loan in Mrs M’s name. It paid the funds into her bank account, and she sent them on. The money was ultimately lost to the scam.

Mrs M says the application was completed by the scammers without her knowledge or agreement. She has explained that she had been asked to pay various fees to withdraw from C’s investment platform – and thought the money coming in was being paid by companies affiliated with C to help fund this.

When the scam came to light, Mrs M asked Bamboo to cancel the loan. It agreed to remove the interest charges but said she would still need to repay the capital amount of £15,000.

Unhappy with this response, Mrs M referred the matter to our service. Our investigator found the application used Mrs M’s genuine contact details, meaning she was sent details of the loan. Mrs M had also called Bamboo several times to chase up receipt of the funds – saying she had applied for a loan for home improvements. Details such as the monthly repayments, and the overall amount owed, were also discussed. The investigator thought Mrs M had therefore agreed to take out the loan.

Mrs M suggested the loan had been irresponsibly lent. But the investigator thought that, as Mrs M had moved the loan funds on (albeit due to being tricked by the scammers), and as Bamboo had agreed to remove the interest charges, it could still fairly seek repayment of the capital.

Mrs M has appealed the investigator’s outcome. In summary she says she didn’t apply for the loan and it was granted irresponsibly. She was put under pressure and tricked by a sophisticated scam; she never thought she would need to repay the loan, which is unaffordable for her. In the circumstances, and given the impact of the scam, it’s unfair to pursue her for the loan.

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 decided not to uphold it. I appreciate this will be very disappointing for Mrs M – who has clearly fallen victim to a scam. I've set out below how I've reached my conclusions.

I'm aware of the overall impact this scam has had on Mrs M. The wider context is that several loans were taken out, and several accounts were used to pass on the funds, during the scam. I'm considering complaints from Mrs M about each firm involved. I need to consider their responsibilities individually. But I have considered the cases together – and have taken on board the overall context, and the overall impact on Mrs M, when considering each case.

Bamboo has already agreed to waive the interest that would normally be chargeable under the loan agreement. But it is seeking to recoup the £15,000 it paid into Mrs M's account. I accept she has lost those funds to the scam. But that in itself doesn't mean it would be fair for me to instruct Bamboo to "write off"/stop pursuing this debt.

Mrs M says she didn't complete the application herself. I accept that seems plausible. However, for the reasons I've set out below, I think she was aware of the loan application made on her behalf.

I can see the email address used on the application was one Mrs M had access to and used when reporting the scam. Bamboo has shown it sent various messages during the application process. Even if the application was completed by the scammers, and/or they were remotely accessing her emails, she also had access to these messages.

Mrs M also called Bamboo several times during the application process to chase up when she would receive the loan. During these calls, Mrs M asked about adding on her debit card. That is normally something you would be doing to set up the loan repayments.

During the calls Bamboo explained she had applied for a £15,000 loan over 36 months. It set out what her monthly repayments would be, as well as the total amount she would need to repay (around £22,000, factoring in interest). Mrs M confirmed this was affordable for her. Bamboo asked her what the loan was for; she said home repairs. When Bamboo asked what needed repairing, she said her kitchen. It asked what specifically she was doing, and she said she needed to repair her kitchen units – which would cost around £14,000.

Bamboo asked Mrs M what she would use the additional £1,000 for, given she was applying for £15,000. She explained she was anticipating the cost could end up being a bit higher than quoted. If it wasn't, she would just repay that money. There were further calls following this, and Mrs M continued to reiterate that she was applying for a loan for home improvements.

Given the level of contact Mrs M had with Bamboo during the application process, and the specific details it told her about the repayment terms (which she confirmed during the call), I'm persuaded she was aware of and agreed to the loan. In those circumstances, my starting position is that Bamboo can seek to recover these funds. But I have gone on to consider the further points Mrs M has raised about why she doesn't think that is fair in the circumstances.

Mrs M has provided a document from C referring to a loan agreement between Mrs M; her bank; C; and "*third-party loan firm (collectively referred to as 'the Parties')*". She says she thought Bamboo were a partner of C's, and that the calls with Bamboo were all part of the anti-money laundering verification process required to withdraw from the investment platform.

However, I'm conscious this document sets out that Mrs M will be entering a loan agreement with a third-party – albeit it says this will be replaced by the agreement with C (and the bank and the third-party loan firm) once the withdrawal is completed. So, while I appreciate Mrs M says the scammers told her she would have no responsibility for repayments, the document still reflects that she was taking out lending.

While Mrs M suggests some information on the application may not have been correct, I don't think Bamboo had reason to suspect she hadn't applied for the lending. It spoke to her directly and she gave a detailed account of how she would be using the funds – which didn't, in my view, give Bamboo cause to think she was at risk from fraud.

I appreciate the agreement document Mrs M provided (from C) said she had to follow C's instructions during the loan process. But that still doesn't make it clear why she would have to give Bamboo a false explanation for how she would use the funds if it was partnered with C and had agreed to provide funds to support the verification process.

Mrs M says the lending was unaffordable for her – particularly given the number and value of the loans taken out during the scam. But where all the loan applications were made very close together, I don't think the full extent of the borrowing being applied for would have been visible to the lenders.

Even if Bamboo should have realised from the outset that the loan was unaffordable, that doesn't mean the fair remedy is that it should write off the lending in full. It has already agreed to remove the interest on the loan – meaning it is only seeking to recoup the amount it paid Mrs M, and which she moved on.

Overall, I think Bamboo entered into this agreement in good faith with no substantial reason to doubt it was applied for by Mrs M – bearing in mind the funds were paid into her own, genuine account and that it spoke to her about the application.

I am aware Mrs M has been left with a substantial loss overall from this scam, and that she was tricked into moving the funds on. But in all the circumstances, I consider it fair for Bamboo to seek repayment for the capital it lent. I'd highlight that Bamboo has said it is open to engaging with Mrs M further about the terms of repaying this debt – and I'd expect it to treat her with forbearance and due consideration when doing this.

Firms are expected to ensure data they report on a consumer's credit file is fair, accurate, consistent, complete and up to date. To do that, it's likely Bamboo will need to report the outstanding, pursuable debt from this loan on Mrs M's credit file.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 21 April 2025.

Rachel Loughlin
Ombudsman