

The complaint

Mr P says Bamboo Limited irresponsibly lent to him.

What happened

Mr P took out a loan for £3,000 over 24 months from Bamboo on 27 June 2021. The monthly repayments were £185.19 and the total repayable was £4,444.49.

He says Bamboo's checks were not thorough enough and he would like a full or partial refund of the charges.

Bamboo says it carried out adequate checks that showed the loan would be affordable for Mr P.

Our investigator did not uphold Mr P's complaint. He said the Bamboo's checks were proportionate and it made a fair lending decision based on the results.

Mr P disagreed and asked for an ombudsman's review. He said there should be more stringent checks and verification across the industry. Other lenders have agreed to a partial settlement and removal of credit markers so he would expect Bamboo to do the same. He would appreciate a small discretionary payment considering the stress he went through to make every payment on time whilst having multiple debts owing. He feels more could have been done such as reviewing bank statements. He sent in copies of his statements.

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.

We've set out our approach to considering unaffordable and irresponsible lending complaints on our website including the key relevant rules, guidance and good industry practice. I've had this approach in mind when considering Mr P's complaint.

Bamboo needed to take reasonable and proportionate steps to ensure that it didn't lend to Mr P irresponsibly. This means it should've carried out reasonable and proportionate checks to satisfy itself that Mr P could repay the loan in a sustainable way. These checks could take into account a number of things such as the loan amount, the repayment amount and Mr P's income and expenditure.

This means to decide this complaint I need to consider if Bamboo's checks were proportionate; if so, did it make a fair lending decision; if not, what would proportionate checks most likely have shown; and finally, did Bamboo act unfairly towards Mr P in some other way.

I've looked at the checks Bamboo carried out. It asked for Mr P's income and verified this through one of the credit reference agencies. It asked for his housing costs and residential status. It used national averages to estimate his living costs. It carried out a credit

check to understand his credit history and existing credit commitments. From these checks combined it concluded Mr P had enough disposable income for this loan to be sustainably affordable.

I think these checks were proportionate given the term and value of the loan. Mr P argues if Bamboo had reviewed his bank statements it would have made a different decision. But there is no set list of checks a lender is obliged to do, and here I cannot see it would have been proportionate to carry out a more in-depth financial review. And I think Bamboo made a fair decision based on the information it gathered. I'll explain why.

Mr P declared a net monthly income of £1,995 which Bamboo was able to verify. He told it he lived with his parents and contributed £150 to housing costs. Bamboo concluded his existing monthly credit commitments were £188 which meant after taking on this loan he would have £1,471.48 of income to cover his essential living costs. Bamboo estimated these to be £220.22.

So, I think the checks showed the loan would be sustainably affordable for Mr P.

Mr P had little other debt at the time – the credit check showed he had £2,576 of debt across a credit card, loan and overdraft. He had no adverse data on his file. He was using 40% of his overdraft on one current account and none on his second account. He wasn't using the facility every month and had recently reduced the amount he used. However, I can't see Bamboo allowed for any repayment cost of that debt as it did the loan and card. But as the investigator said, increasing Mr P's monthly credit commitments to take this into account would not change the finding that the loan was affordable for Mr P.

It follows I cannot find Bamboo was wrong to lend to Mr P.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Bamboo lent irresponsibly to Mr P or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

I am sorry Mr P struggled with problematic gambling. But I cannot see that Bamboo ought to have been aware of this from its proportionate checks. I hope he now has the support he needs, if not GamCare (0808 80 20 133) can provide free advice.

Finally, Mr P referenced other complaints he has made where lenders have provided refunds and removed information from his credit file, saying there should be consistency. I can only comment on the merits of this complaint here. Each complaint that this service receives is considered based on its individual merits. The outcomes vary for a number of reasons – including but not limited to, the type of credit; the term and value of the agreement; the value of the monthly repayments; the stage in the lending relationship; and the circumstances of the applicant. The approach to assessing each complaint however will be consistent, and as I said at the outset this is set out on our website.

My final decision

I am not upholding Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 6 August 2025.

Rebecca Connelley
Ombudsman