

The complaint

Mr N complains that Bamboo Limited trading as Bamboo Loans irresponsibly lent to him. Mr N says he was struggling with gambling at the time Bamboo lent, and had it carried out sufficient checks, it would have seen that he couldn't repay what it agreed to lend him.

What happened

In July 2022, Mr N took out a loan with Bamboo for £5,000. The term of the loan was 24 months with the highest monthly repayments of £327.18. The total amount repayable was £7,852.30. Mr N encountered problems repaying the loan and the debt was sold to a third-party debt purchaser. As I understand it, Mr N has now fully repaid the loan.

Mr N complained to Bamboo in November 2024 about its decision to lend, however, Bamboo didn't uphold his complaint. It made a gesture of goodwill offer of £250 which Mr N didn't accept. Mr N then provided his bank statements and Bamboo increased its goodwill offer to £500 but still didn't uphold his complaint.

Unhappy with the response, Mr N referred his complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. Our investigator thought Bamboo did enough before agreeing to lend and that its checks suggested that Mr N could afford the loan repayments. Based on this, our investigator didn't recommend that Mr N's complaint should be upheld.

Mr N disagreed; he says Bamboo didn't verify how the loan was to be used for debt consolidation. Mr N says the relationship was unfair and Bamboo making a goodwill offer suggests they know they've done something wrong. Mr N also says the use of data from the Office of National Statistics (ONS) to estimate his living cost distorted his financial circumstances and his credit file showed financial stress. Mr N asked for an ombudsman to decide his case.

So, the complaint was passed to me, an ombudsman 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.

Bamboo will be aware of all the rules, regulations and industry practice we consider when assessing complaints about irresponsible/unaffordable lending. We've set out our general approach to these types of complaints - including all of the relevant rules, guidance and good industry practice - on our website. However, I think it will be useful to set out some of this here especially given Mr N's response to the investigator's view.

In the early stages of a lending relationship, we'll usually think it is reasonable that less thorough checks are carried out. There's no set list of checks provided on our website or by the regulator, The Financial Conduct Authority (FCA) in its rules on affordable lending.

Essentially, it is for a lender to decide what constitutes proportionate checks in any given lending circumstance, considering things like but not limited to the consumer's income and debt profile, usually from information within their credit file. In summary, Bamboo needed to ensure that Mr N could afford the make his repayments on the agreement when they fell due throughout the term of the agreement.

Mr N completed an application for the loan and declared his monthly income from his employment as £3,094. Bamboo says it verified this amount using tools from a credit reference agency. Mr N also declared his was paying rent of £250 per month. Bamboo searched Mr N's credit file, and the results showed Mr N had a default from 2018 which was satisfied in 2019. Mr N had four active accounts; two loans, one overdraft (which was at its limits) and one credit card account with a balance at the upper end of its limit. The search showed Mr N's total debt balance as £6,897 and all accounts were up to date. From what I can see on the credit file, Mr N was repaying around £499 towards loans monthly and at 5% of his outstanding balance on the overdraft and credit card, would have been reasonably expected to pay around £65 monthly.

Bamboo says the living costs it estimated for Mr N from the ONS was £368.94, so taking Mr N's committed credit commitments, his rent and estimated living costs, Mr N would have been left with sufficient disposable income to repay the loan.

I've thought about whether Bamboo's checks went far enough. This was Mr N's first loan with Bamboo from what I can see, the highest loan repayment was around 10% of his monthly income. Mr N's credit file showed a low use of credit and although he had a default, this was from around two years before this loan and had been satisfied for about a year before the lending. In those circumstances, I don't think it would have been reasonable for Bamboo to decline lending to him based on the default. I don't think there was anything within Bamboo's checks that should have prompted it to take its checks further or suggested Mr N was under financial strain. These checks showed Mr N could afford the monthly repayments and have disposable income left over.

I understand why Mr N feels Bamboo had done something wrong and that is why it made the goodwill offer. However, my role is to consider the complaint independently, thinking about whether Bamboo has done something wrong regardless of whether Bamboo agrees it has or hasn't done anything wrong. This is what I've done here and based on what I've seen, I don't think Bamboo was wrong to lend to Mr N here.

Mr N also says Bamboo didn't verify his debt consolidation, while I agree that I haven't seen any evidence that Bamboo did, I don't think it was required to do so here. Mr N's overall outstanding credit balance was small and even if he didn't consolidate his debts which seemed to have been the case, Mr N could still afford the borrowing, so I don't think the debt consolidation would have made a difference to the lending decision.

I note Mr N has said the use of ONS figures distorted his disposable income but hasn't said what his actual living costs were. I understand why he may think the ONS estimate shouldn't have been used but as stated earlier there are no set list of checks and what is reasonable in each case will depend on the circumstances. In this case, I don't think it was unreasonable for Bamboo to rely on the ONS estimate given the other results of its checks. Overall, Mr N had enough disposable income to cover the margin of error with the estimated living costs.

I've also thought about whether Bamboo acted unreasonably in some other way. Mr N has said he had a gambling problem and had Bamboo checked his bank statements at the time it would have seen this. Although I haven't seen copies of Mr N's bank statements, it seems Bamboo accept that Mr N was gambling around the time. But given Mr N didn't declare this and there was nothing within the outcome of its checks that I think should have prompted it to request Mr N's bank statements, this wasn't something Bamboo knew or ought reasonably to have known at the point it lent, so I wouldn't have expected it to react to this information. I was pleased to read that Mr N has got help with his gambling and is now able to manage his finances better.

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

My final decision

For the reasons given above, I do not uphold Mr N's complaint or make any awards against Bamboo Limited trading as Bamboo Loans

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 19 August 2025.

Oyetola Oduola
Ombudsman