

The complaint

Mr S complains through a third-party representative that Bamboo Limited trading as Bamboo Loans irresponsibly lent to him.

What happened

Bamboo lent Mr S a loan in August 2018. The loan was for £5,000 with a term of 60 months. Mr S was due to make 59 repayments of £174.42 and one repayment of £174.54. Mr S fully repaid the loan in March 2021.

Mr S made a complaint to Bamboo about its decision to lend him this loan. Mr S said Bamboo didn't conduct sufficient checks before lending to him and the lending decision was unfair.

When Mr S raised his complaint with Bamboo, it responded to say Mr S had raised his complaint outside the time limits that apply and so didn't address the substance of Mr S' complaint. Bamboo said Mr S had complained more than six years from the inception of the loan and more than three years from the settlement of the loan account.

Unhappy with the response, Mr S' representative on his behalf referred his complaint to the Financial Ombudsman Service. Bamboo reiterated its final response to Mr S and provided a copy of its business file. Upon the involvement of this service, Bamboo consented to us looking at Mr S' complaint.

So, one of our investigators looked at what both parties said and didn't think Bamboo had treated Mr S unfairly and so didn't recommend that the complaint should be upheld.

Mr S' representative on his behalf didn't accept this, it said Bamboo had lent to Mr S without considering the impact of his retirement on being able to make his repayments. It also said Mr S had credit commitments meant he'd struggle with repaying this loan over the term.

As the complaint hasn't been resolved, it has been passed to me an ombudsman to make a decision.

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 general approach to complaints about short-term lending - including all of the relevant rules, guidance and good industry practice - on our website.

Bamboo is aware of its obligations as a lender as explained in the regulator's handbook, so I don't intend to go into all the details about his duty. In summary, Bamboo is required to take reasonable steps to ensure that it didn't lend irresponsibly. There isn't a prescriptive level of checks to ensure responsible lending and in the early stages of a lending relationship, I think less thorough checks might be reasonable and proportionate.

But certain factors might point to the fact that Bamboo should fairly and reasonably have done more to establish that any lending was sustainable for the consumer. These factors include:

- the lower a consumer's income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);
- the higher the amount due to be repaid (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- the greater the number and frequency of loans, and the longer the period of time during which a customer has been given loans (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable).

Bamboo has provided the details of its checks before agreeing to lend to Mr S. It has shown that it asked Mr S about his income, housing expense and his employment status. Mr S declared his monthly income as £2,455 and his mortgage payments as £375 per month. Mr S declared he has been retired for 12 – 18 months. Bamboo says it verified the income Mr S declared using credit reference agencies. Bamboo said it worked out Mr S' monthly living costs using data from the Office of National Statistics (ONS). Using this data, it worked out Mr S' monthly living costs as £438.94. Bamboo also searched Mr S' credit file.

The credit search showed Mr S regular payments towards credit was around £335. Mr S had a loan and hire purchase agreement Mr S was repaying monthly, there was also a deferred payment loan which didn't have a regular payment date. Mr S also had three credit card accounts and two overdraft accounts with outstanding balances on them. Overall, the search didn't reveal any adverse information such as County Court Judgements (CCJs), defaults or delinquent accounts. The search showed Mr S was keeping up with his payments.

Mr S' representatives have said Mr S had high outstanding balances and took out further credit within a short time of taking this loan with Bamboo. The search Bamboo conducted, which was reasonable, showed the credit commitments I have stated above. If Mr S took out further credit after Bamboo assessed his affordability for this loan, this isn't something I'd have expected Bamboo to take it into account as it was unaware of whether Mr S was going to take further credit at the time.

The highest monthly repayment on this loan represented quite a small fraction of Mr S' monthly income and there was nothing within the credit search that I think should have concerned Bamboo about Mr S struggling to repay the loan. On that basis I think Bamboo's checks went far enough and those checks showed Mr S could afford the loan repayment over the term. Bases on the overall circumstances, I'm not persuaded Bamboo should have asked for Mr S' payslips or bank statements.

Mr S' representatives have raised concerns about Bamboo lending to Mr S without consideration of his retirement. Firstly, I haven't seen any information that persuades me that based on Mr S being a retiree, Bamboo should have declined lending to him solely on that. Also, Mr S declared he had been retired for over a year at the time he applied for this loan and this was something Bamboo was on notice about when Mr S applied for the loan. The checks Bamboo carried showed Mr S had managed his credit well and was left with sufficient disposable income after his monthly living costs, credit commitments and repaying this loan.

On balance and based on Bamboo's reasonable checks at the time it agreed to lend to Mr S, I think it hasn't acted unfairly towards Mr S and I won't be asking it to take any further actions.

I appreciate my findings will likely disappoint Mr S and his representatives but I hope my explanation helps clarify why I've reached these findings.

Has Bamboo treated Mr S unfairly in some other way?

I've also considered whether Bamboo acted unfairly or unreasonably in some other way, including whether its relationship with Mr S might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think Bamboo lent irresponsibly to Mr S 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.

My final decision

For the reasons given above, I do not uphold this 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 S to accept or reject my decision before 7 November 2025.

Oyetola Oduola
Ombudsman