

Complaint

Mrs H has complained about a loan Bamboo Limited (“Bamboo”) provided to her. She effectively says that the loan was unaffordable and that Bamboo failed to conduct proportionate checks, so should have done more before providing her with this loan.

Background

Bamboo provided Mrs H with a loan for £5,000.00 in September 2023. It had an APR of 36-month term and the total amount to be repaid of £9,490.00, which included interest, fees and other charges of £4,490.00, was due to be repaid in 36 instalments of around £263.

One of our investigators reviewed what Mrs H and Bamboo had told us. And she thought that Bamboo hadn’t lent irresponsibly. So she didn’t uphold Mrs H’s complaint. Mrs H disagreed and asked for an ombudsman to look at her complaint.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Mrs H’s complaint.

Having carefully considered everything, I’ve decided not to uphold Mrs H’s complaint. I’ll explain why in a little more detail.

Bamboo needed to make sure it didn’t lend irresponsibly. In practice, what this means is Bamboo needed to carry out proportionate checks to be able to understand whether Mrs H could afford to repay before providing this loan.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Bamboo says it agreed to Mrs H’s application after she provided details of her monthly income and expenditure. It says it cross-checked this against information from credit reference agencies on the amount of funds she received into her main bank account each month. It also carried out a credit search on Mrs H to ascertain her credit commitments.

It says that all of this information showed that Mrs H would be able to make the repayments she was committing to and, in these circumstances, it was reasonable to lend. On the other

hand, Mrs H has said the loan payments were unaffordable for her and if her bank statements has been requested Bamboo would have seen this.

I've carefully thought about what Mrs H and Bamboo have said.

The first thing for me to say is that it's clear that Bamboo did obtain a reasonable amount of information from Mrs H before it decided to proceed with her application. And while this information does appear to show that Mrs H had had previous difficulties with credit - in the form of a historic defaulted account and a historic county court judgment ("CCJ") recorded against her – it's fair to say that the amount of active credit Mrs H had was low. Furthermore, it's also fair to say that what she did have was being managed reasonably.

I also think that it is worth noting that as this was Mrs H's first loan with Bamboo, it carried out a telephone call with her prior to approving her application. Having listened to the call, I can confirm that Mrs H was not only asked to confirm her details, she was also asked whether she envisaged anything changing in her circumstances.

Mrs H confirmed that she believed the repayments to be affordable at that point and did not envision her circumstances changing. She also confirmed that she was looking to borrow these funds to renovate her bathroom.

I accept it's possible that Mrs H's actual circumstances may not have been fully reflected either in the information she provided to Bamboo, or the information it obtained. I know that Mrs H says that requesting her bank statements would have shown the loan to be unaffordable, irrespective of what was gathered at the time of her application.

However, Bamboo wasn't required to obtain bank statements from Mrs H. Equally, it could only make a decision based on the information it had, or it could reasonably be expected to have. And I don't see how it could have made a decision taking into account the contents of Mrs H's bank statements.

For the sake of completeness, I should add that at best, even if I were to accept that further checks were necessary, which I'm not necessarily persuaded is the case here, any such checks would only have gone as far as finding out more about Mrs H's regular living costs. And, I've not been provided with anything to indicate that Mrs H's actual living expenses significantly differed from the estimates that Bamboo used and which Mrs H confirmed was indicative of things during the call.

In these circumstances, I'm not persuaded that obtaining further information on Mrs H's actual living costs would have seen Bamboo make a different lending decision in this instance.

In reaching my conclusions, I've also considered whether the lending relationship between Bamboo and Mrs H might have been unfair to Mrs H under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Bamboo irresponsibly lent to Mrs H or otherwise treated her unfairly. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

So overall I don't think that Bamboo treated Mrs H unfairly or unreasonably when providing her with her loan. And I'm not upholding Mrs H's complaint. I appreciate this will be very disappointing for Mrs H. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

My final decision is that I'm not upholding Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 28 October 2025.

Jeshen Narayanan
Ombudsman