

## **Complaint**

Mr M has complained about a loan Bamboo Limited (trading as “Bamboo”) provided to him. He says that the loan was unaffordable and so it shouldn’t have been provided.

## **Background**

Bamboo provided Mr M with a loan for £2,900.00 in October 2023. The total amount to be repaid of £4,809.09, which included interest, fees and charges of £1,909.09, was due to be repaid in 24 monthly instalments of around £200.

One of our investigators reviewed what Mr M and Bamboo had told us. And he thought that Bamboo hadn’t done anything wrong or treated Mr M unfairly. So he didn’t recommend that Mr M’s complaint be upheld. Mr M disagreed and asked for an ombudsman to look at his 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 Mr M’s complaint.

Having carefully considered everything, I’ve decided not to uphold Mr M’s complaint. I’ll explain why in a bit more detail.

Bamboo needed to make sure that it didn’t lend irresponsibly. In practice, what this means is Bamboo needed to carry out proportionate checks to be able to understand whether Mr M could afford to repay before providing this loan. The fact that there was a borrower didn’t change or alter this.

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 provided Mr M with a loan for £2,900.00 in October 2023. This loan was due to be repaid in 24 instalments of just over £200. Bamboo says it agreed to Mr M’s application after he provided details of his monthly income, which it verified Mr M’s with copies of payslips.

Mr M was also asked to provide information on his expenditure which was cross-checked against information on a credit search it carried out. In its view, all of this information showed Mr M could afford to make the repayments he was committing to.

On the other hand, Mr M has said the loan was unaffordable for him and that he'd previously been discharged from a bankruptcy.

I've carefully thought about what Mr M and Bamboo have said.

The first thing for me to say is that Bamboo has provided a record of the results of its credit searches. Bamboo's searches appear to show that Mr M did have previous difficulties in the form of satisfied defaults recorded against him. However, I can't see that it was aware of Mr M's discharged bankruptcy. As the discharge took place more than three years prior to this application, I don't think that this was surprising. Furthermore, Mr M's defaults were historic too.

So I don't think that the previous difficulties Bamboo saw in themselves meant that Mr M shouldn't have been lent to. I've nonetheless considered whether or not Bamboo's income and expenditure assessment, which determined that the payments were affordable for Mr M, was reasonable bearing in mind these circumstances.

Mr M declared that he earned around £1,700.00 each month. I can see that Bamboo verified this with copies of payslips. So it's clear that it didn't simply rely on what Mr M had declared as part of his application. That said, given Mr M's previous difficulties repaying credit there is an argument that Bamboo ought to have done more before lending.

However, I'm not persuaded that Bamboo doing more here is more likely than not to have seen it making a different decision on lending to Mr M here. I say this because at the absolute most, it could be argued that Bamboo ought to have had a reasonable understanding about Mr M's regular living expenses in order to supplement what it already had about his income and existing credit commitments. And I don't think that obtaining this information would have shown the loan repayments were unaffordable for Mr M.

In considering this matter, I accept that Mr M's actual circumstances at the time were worse than what finding out about his living costs is likely to have shown. Indeed, having looked at the bank statements Mr M has provided it's clear that his issues stemmed from matters that did not relate to his living expenses or other committed expenditure. I also accept that if Bamboo had known about this as Mr M appears to be saying it should have, it is possible, but by no means certain, that it may have reached a different decision on lending to him.

But the truth is, I don't think that reasonable and proportionate checks would have extended into obtaining bank statements here. Bamboo simply needed to find out more about Mr M's actual committed expenditure and requesting copies of bank statements wasn't the only way for it to do this. Crucially, I'm satisfied that Bamboo taking further steps to find out more about Mr M's living expenses won't have led it to determine that the repayments to this loan were unaffordable for him. With this in mind, I don't think that Bamboo acted unfairly when it accepted Mr M's application.

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

However, for the reasons I've explained, I've not been persuaded that Bamboo irresponsibly lent to Mr M or otherwise treated him unfairly in relation to this matter. 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.

As this is the case, I don't think that Bamboo did anything wrong when deciding to lend to Mr M. So I'm not upholding Mr M's complaint. I appreciate this will be very disappointing for Mr M. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 November 2025.

Jeshen Narayanan  
**Ombudsman**