

The complaint

Mr J complains about a Continuous Payment Authority ('CPA') set up in respect of a fixed-sum loan agreement he took out with Bamboo Limited ('BL').

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

In summary Mr J says he has '*identified a number of procedural issues that raise serious concerns about the enforceability of this agreement and the validity of any associated payments*'. He says these concerns specifically relate to:

- '*regulatory non-compliance*';
- '*fragmented execution*'; and
- '*lack of proper incorporation of key terms*'.

He complained to BL requesting it cancel the loan, cease any further CPA withdrawals and refund any payments already taken under the CPA which he considers unauthorised.

BL did not uphold the complaint. Our investigator looked at things and didn't think BL had acted unfairly.

Mr J has asked for an ombudsman to look at his complaint for a final decision. In summary, he says that BL presented the agreement as governed by the Consumer Credit Act 1974 ('CCA') but defended its enforceability using provisions from a different statutory framework.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Much of Mr J's complaint appears to focus on claims that the agreement is legally unenforceable due to technical breaches in respect of its formatting. I want to make it clear that my role is not to decide if an agreement is enforceable. That is a role for a court. Furthermore, my role here is not to assess agreements for broader regulatory failings in form and content. This service is not a regulator – and if Mr J has concerns regarding broader regulatory compliance he should report this to the relevant bodies.

My role here is to consider the individual circumstances of Mr J's complaint, taking into account law and good practice where relevant – and ultimately deciding on what is fair and reasonable in the circumstances.

It appears that Mr J's complaint centres on the CPA used to make payments to the loan which he says BL didn't obtain his valid consent for. As a result he says these are unauthorised and should be refunded.

My starting point when looking at the issue of consent is what Mr J agreed to here. In this case I see there is no dispute that he signed the fixed sum-loan agreement in January 2023. He did so where it says '*sign it only if you want to be legally bound by its terms*' – so it is reasonable to infer that by signing the agreement Mr J consented to its contents.

Turning to the content of the agreement I note that it says in taking out the agreement Mr J agrees for BL to setup a CPA for him to service the instalment payments to the agreement. So prima facie, Mr J has consented to the CPA. It follows that I don't think BL has acted unfairly in setting it up and taking payments under it.

A term can be declared unfair depending on how it is presented but only a court can decide this in law. Here I have thought about the sort of things that might mean it is not fair and reasonable for BL to rely on a term (considering the provisions of the Consumer Rights Act 2015 and associated guidance around unfair terms). After doing so I don't think it is reasonable to say BL can't rely on the term regarding the CPA. In concluding this I note that the term is not prohibited by legislation, is in plain and intelligible language, and does not create a significant imbalance contrary to the requirements of good faith to the detriment of Mr J. In addition I note the agreement clearly sets out the key information in respect of the amount of the payments to be collected, when these will be taken, and how the CPA can be cancelled.

I also think it important to note here, that regardless of my finding above – Mr J has not focused his dispute on a lack of awareness about the CPA when he signed the agreement (or the other key information he has highlighted like the interest rate – which is also clearly presented). Had it come as a surprise to him I expect he would have raised the issue sooner when the payments first started – instead it appears a significant time elapsed (with ongoing instalment payments made to the loan) before he did so.

With this in mind and based on what he has said it seems Mr J's complaint is about what he considers technical infringements rather than his own lack of awareness relating to key terms. For completeness, I don't think he has presented persuasive evidence that BL has materially breached technical requirements (and I disagree with him that legislation created to determine the form and content of regulated credit agreements under the the CCA is invalid or part of a different statutory regime). But in any event – it is not fair and reasonable to say that BL should end the agreement and refund him because I am satisfied he was reasonably aware of the CPA (alongside other key terms) and consented to these. For completeness, this also means I am not satisfied the payments made under the CPA could be considered unauthorised under legislation related to payment services.

I also note that even if I agreed there has been some unfairness with BL setting up the CPA in the first instance (and I don't here), ultimately, Mr J agreed to take out the credit and repay that. It does not follow that issues with the CPA would result in him no longer being liable for the amount he had borrowed here. So I don't see how BL's actions have caused him a financial loss in any event.

I note Mr J is in arrears with the loan. I note he has recently complained that the debt has been sold to a third party. This is not the subject matter of this complaint so I am not dealing with it here – but Mr J can of course raise this as a separate matter. Furthermore, if Mr J is suffering financial difficulties in repaying the arrears he should consider reaching out to the third party for assistance.

My final decision

I don't uphold this complaint.

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

Mark Lancod
Ombudsman