

The complaint

Mrs P complains that Bamboo Limited trading as Bamboo Loans ('Bamboo') was irresponsible in its lending to her. She wants the interest on her loans refunded.

What happened

Mrs P was provided with the following loans by Bamboo.

Loan	Date	Amount	Term	Monthly repayments
1	January 2022	£7,000	48 months	£237.16
2	December 2022	£8,367.27	60 months	£251.96

Mrs P said that she had been increasing her debt in the years leading up to this lending and used the loans she received from Bamboo to repay other debts. She didn't think that adequate checks were completed before the loans were given.

Bamboo issued a final response to Mrs P's complaint dated 22 July 2025. It said that before the loans were issued it completed credit worthiness and affordability checks using data provided by Mrs P, the credit reference agencies and third-party sources. It said that based on its checks the loans were affordable for Mrs P.

Mrs P referred her complaint to this service.

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.

My final decision

Our investigator thought that proportionate checks were completed before the loans were provided. As these suggested the loans to be affordable, he didn't uphold this complaint.

Mrs P didn't accept our investigator's outcome. She said that the verified income used in the affordability calculations was incorrect and that her outgoings were much higher than the industry standard. She said that her situation warranted further checks given the number of new products she had taken out in the second half of 2021 and the number of new loans taken out between the Bamboo loans. She provided copies of her bank statements and said that the loans were unaffordable and unsuitable.

Our investigator responded to the points Mrs P had made. He noted that Mrs P had declared a net monthly income figure of £8,800 for loan one and £8,500 for loan two and that Bamboo used a credit reference agency tool to validate these amounts. These checks confirmed Mrs P's income and he said he thought this approach reasonable and so Bamboo wasn't required to request copies of Mrs P's bank statements. Our investigator also noted that a credit report had been received before each loan and while these showed Mrs P's existing

commitments it also showed she was managing these.

He noted the disposable income calculated after Mrs P's repayments and other costs didn't warrant additional checks. Given this, he reiterated he felt the checks completed by Bamboo were proportionate and as these suggested the lending to be affordable, he didn't uphold this complaint.

Mrs P still didn't accept our investigator's outcome. As a resolution hasn't been agreed, this complaint has been assigned to me, an ombudsman, to issue 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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is explained on our website.

The rules don't detail any specific checks which must be completed to assess creditworthiness. But while it is for the firm to decide what specific checks it needs to complete, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Loans provided

Mrs P was provided with two loans, and I have considered each of these lending decisions.

Loan one: January 2022

Loan one was for £7,000 and required Mrs P to make monthly repayments of around £237. As part of the application process, Bamboo gathered information about Mrs P's employment, income, residential status and the purpose of the loan. Mrs P said she was employed full time with a monthly net income of £8,880, was a homeowner with a mortgage and that the loan was for home improvements. Bamboo confirmed Mrs P's income using a credit reference agency tool and a credit check was undertaken.

Mrs P's credit report showed that while she did have existing credit commitments - £10,971 of loans/instalment credit and £33,117 of revolving credit – these accounts were up to date and she was utilising around 72% of her available revolving credit limits, which I do not think should have raised concerns. Mrs P was provided with an amendable expenditure statement for her to confirm her expenses and third-party data was also used to assess Mrs P's essential expenditure. These figures were used in the affordability calculation which suggested Mrs P had sufficient disposable income after her costs to afford the loan.

Having considered the size of the loan and the repayments compared to Mrs P's validated income and noting that her credit check didn't raise any current issues with her management on her existing credit commitments, I think the checks completed were proportionate. However, just because I think reasonable checks were undertaken, it doesn't necessarily mean that I think the loans should have been given. To assess that I have considered the outcome of Bamboo's checks to determine if there was any concerns that meant further information should have been gathered or the loans not provided.

Having checked through Mrs P's credit report from the time, this showed that she had two

defaulted accounts one recorded in June 2019 and one in November 2020. As these were recorded more than 12 months before this loan application, I accept that they would be treated as historic, I further note that the default balances were low.

Mrs P was managing her existing credit commitments well and had no county court judgments or bankruptcies recorded. Her credit report recorded her as opening six new accounts within the previous six months however four of these were telecommunication accounts with low monthly repayments. The other accounts were a credit card account which was operating within its limit and a £3,000 loan. So, while Mrs P had taken out new credit commitments in the months leading up to this application, given what these were, I do not agree that this would've meant that this loan shouldn't have been given.

I have also considered Mrs P's overall indebtedness and in this case, I do not think it was at a level, compared to her income, that suggested she was overindebted. In summary, while Mrs P's credit report did include some adverse data, I do not think it was such that it meant this loan shouldn't have been given or further questions were needed.

I have then considered the affordability of the loan. Based on Mrs P's credit file, she was paying around £441 a month for her loans and based on outstanding credit card debt of around £33,117, I find the inclusion £1,656 for her credit card repayments to be reasonable. This gives total (non-mortgage) credit commitments of around £2,097. Adding the Bamboo loan would increase this to around £2,334. While this is a high amount, comparing it to Mrs P's income, I do not think it showed that her repayments were too much for the amount of income she earns.

Mrs P declared she was an owner with a mortgage and gave housing costs of £1,000. Her credit report showed her monthly mortgage repayments to be £2,429. Mrs P had said she was married, and the mortgage was a joint account and so I consider it reasonable to accept that the cost of the repayments was split. Half of the repayment cost would be around £1,215 but I do not believe it's unreasonable given the figures that Bamboo accepted Mrs P's declared contribution of £1,000. Mrs P's declared essential expenses were around £911 with £50 included for other regular costs. Deducting Mrs P's existing credit costs, the new loan repayments, her housing and other essential costs from her income, would leave around £4,500 of disposable income for any other unexpected or unforeseen costs. Therefore, I do not agree that this loan should have been identified as unaffordable for Mrs P.

Mrs P commented about her income figure not being correct, but in this case, I think the checks were reasonable based on these I do not think that further information, such as bank statements needed to be requested. That said, I have looked through Mrs P's bank statements and noted her additional comments. I can see Mrs P received an income of around £3,881 in October 2021 and December 2021 and an income of £11,673 in November 2021, which she has explained included an annual bonus. Averaging the bonus payment over the year would, as Mrs P has noted, give a net monthly income figure of around £4,808. Deducting the above costs from this lower income figure still wouldn't have shown the loan to be unaffordable for Mrs P. Therefore, I do not uphold this complaint in regard to loan one.

Loan two: December 2022

Loan two was for £8,367.27 and was used to repay loan one and provide additional credit. It had a longer loan term than loan one and required monthly repayments of around £252. As this was Mrs P's second loan, Bamboo had access to her account history. This showed that she had maintained her repayments on loan one without issue.

As with loan one, before lending, Bamboo gathered information about Mrs P's employment, income, residential status and the purpose of the loan. Mrs P said she was employed full time with a monthly net income of £8,500, was a homeowner with a mortgage and that the loan was for home improvements. Bamboo confirmed Mrs P's income using a credit reference agency tool and a credit check was undertaken.

Mrs P's credit report showed her accounts to be up to date. Her existing credit commitments were recorded as £37,527 for loans/instalment credit and £34,406 for revolving credit. These balances had increased since the last loan application and her use of her credit limits had also increased to around 87%. Mrs P was provided with an amendable expenditure statement for her to confirm her expenses and third-party data was also used to assess Mrs P's essential expenditure. These figures were used in the affordability calculation which suggested Mrs P had sufficient disposable income after her costs to afford the loan.

While I do not think the size of loan two and the repayments compared to Mrs P's validated income, raised issues, especially noting that it would be repaying loan one, and I accept her credit check showed she was managing her existing credit commitments, Mrs P's credit report did demonstrate an increase in her outstanding loans of around £27,000 since the previous loan application and while part of this was accounted for by loan one, Mrs P had taken out two new loans totalling £17,000 within six months of this application. Considering the increase in debt and noting this was Mrs P's second application to Bamboo within 12 months, I think further questions should have been asked about Mrs P's income and expenses to ensure that this new loan would be sustainably affordable for her.

While I think that further checks should have been completed, this doesn't necessarily mean that Bamboo was required to request copies of Mrs P's bank statements as the additional information could have been gathered through a more detailed income and expenses assessment. However, I have reviewed the bank statements to check what I think would likely have been identified had further questions been asked.

Mrs P's income was validated and I think it reasonable this was relied on. However, I note Mrs P's comment about her income being around £5,180. I can see this in her bank statements but that she received much higher payment in November 2022 as this included her annual bonus. Spreading the bonus over 12 months would give Mrs P an average monthly net income of around £6,408.

Mrs P provided an estimate of her expenses and this was checked against third-party data. However in this case I think that further questions should have been asked. Mrs P's statements had shown that most household costs are paid from her joint account, and I can see that both she and her husband contributed to this. Mrs P declared her contribution to the mortgage was £1,200 and given this is around half of the mortgage payments (which is in joint names) I consider this reasonable. Payments for the other household costs such as utilities, council tax, media contracts totalled around £745 and based on Mrs P paying half of these this would result in costs of around £373. The statements also includes payments for nursery fees which Mrs P has explained her contribution was around £1,189 a month (and this amount is supported by the statements). Mrs P's bank statements showed payments for credit commitments from both her joint and sole accounts. However, I think it reasonable to rely on the credit file information for her credit costs. These were calculated as around £2,822.

Deducting Mrs P's credit costs, mortgage contribution and share of household costs including the school fees, from her declared monthly income of £8,500 would leave around £2,916 for the loan repayments and other general living costs. Using the lower income figure noted above of £6,408 would reduce this to around £824. While I accept this may not be a large buffer, but I would still consider the loan to be affordable.

Based on the above, I do not uphold this complaint.

I've also considered whether Bamboo acted unfairly or unreasonably in some other way given what you have complained about, including whether its relationship with you might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Bamboo lent irresponsibly to Mrs P or otherwise treated her 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

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 3 March 2026.

Jane Archer
Ombudsman