

## **The complaint**

Miss B complains that Bamboo Limited (Bamboo) acted irresponsibly when she took out a loan with them.

## **What happened**

On 15 February 2020, Miss B took out a loan with Bamboo which she believes was unaffordable. This is because her bank account was overdrawn by £2,000, she had credit cards, credit accounts and multiple payday loans. Also, her direct debits weren't being paid.

Miss B says that this loan made her situation worse and her bank statements clearly showed she was struggling to manage her finances. She believes Bamboo relied too much on the information she gave them and that the checks they completed weren't sufficient or proportionate to her circumstances. And that they should've realised she was already in financial hardship and unable to sustainably afford this loan without borrowing further.

Miss B explains that it wasn't until 2025 that she realised lenders were required to check whether a loan is affordable without needing to borrow more. She then complained to Bamboo, looking for the loan to be refunded, interest and charges removed and for her credit file to be updated.

Bamboo rejected Miss B's complaint as they considered that they'd undertaken proportionate checks and made a fair lending decision. So, Miss B brought her complaint to our service.

Our investigator considered Miss B's complaint but couldn't see that Bamboo had done anything wrong. Miss B disagreed and referred her complaint to an ombudsman.

## **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.

Having done so, whilst I'm very sorry to hear about Miss B's financial difficulties, my decision is to not uphold this complaint, and I'll explain why.

I'll focus on what I think are the important points to reach a final decision. But I've carefully considered all the points both parties have made, even though I don't specifically address them all.

The general approach to complaints about unaffordable and irresponsible lending including the key relevant rules, guidance and good industry practice is set out on this service's website.

Bamboo needed to take reasonable steps to ensure it didn't lend irresponsibly. Rather than approach Miss B's loan applications from the perspective of the likelihood of getting its money back, they had a responsibility to ensure that the repayments wouldn't cause her undue difficulty or significant adverse consequences.

That meant Miss B should've been able to meet repayments out of her normal income without having to borrow to meet the repayments, without failing to make any other payments she had a contractual or statutory obligation to make and without the repayments having an adverse impact on her financial situation.

Bamboo checks also had to be "proportionate" to the specific circumstances of the credit application. In general, what constitutes a proportionate check will depend upon a number of things including – but not limited to – the particular circumstances of the consumer (e.g. financial history, current situation and outlook, and any indications of vulnerability or financial difficulty) and the amount/type/cost of credit.

In light of this, I think that a reasonable and proportionate check ought generally to have been more thorough:

- The lower a customer's income (reflecting that it could be more difficult to make any repayments to credit from a lower level of income).
- The higher the amount due to be repaid (reflecting that it could be more difficult to meet higher repayments from a particular level of income).
- The longer the period of time a borrower will be indebted for (reflecting the fact that the total cost of the credit is likely to be greater and the customer is required to make repayments for an extended period).

With all the above in mind, I first looked at everything Bamboo considered before approving the loan, to see if their checks were sufficient and proportionate.

I found that Bamboo obtained an Open Banking report which, in real-time, showed them recurring income and sources, credits and debits including recurring fixed and flexible expenditure. Bamboo then analysed this alongside data obtained from Miss B's application, expenditure information from the Office for National Statistics (ONS) and a Credit Reference Agency (CRA) report.

The application data Miss B submitted included her employment status, net income and rental payments.

The CRA report included indebtedness indicators and comprehensive data such as:

- Number of active credit accounts
- Credit accounts opened
- Delinquent accounts
- Worst Payment Status
- Number of Defaults
- Cash advances obtained

The ONS data shows average expenditure data and enables a sense check to predict likely living expenses and disposable income. This is important where customers, like Miss B, don't provide information on their living expenses.

Although I can understand Miss B questioning bank statements not being requested, I consider the above to have been proportionate here and I'm not persuaded these were insufficient.

I then looked closely at the data and information Bamboo obtained to see if their subsequent lending decision was fair.

I couldn't see any concerning credit report information and agree with our investigator that it showed a good repayment history with the credit accounts generally well managed within their limits. Although there was one missed / late payment recorded this was more than a

year before the application and there were no defaults, Individual Voluntary Arrangements (IVAs) or County Court Judgements (CCJ's) registered in Miss B's name or short-term high-cost lending.

Regarding the overdraft, which is a form of credit, this appeared to be being used and managed well within the set limit, this was considered in Bamboo's calculations.

Bamboo used the information they had gathered to calculate Miss B's monthly disposable income as £589.11. They did this by deducting £140 (accommodation), £591.50 (debt), £115.96 (loan instalments) and £211.43 (living expenses calculated by using ONS data which illustrated consumer spending for similar profiles) from her income of £1,648.

But Miss B says Bamboo:

- A. Incorrectly considered her job status to be permanent when it was temporary, meaning she didn't have a regular income figure.
- B. Used an inaccurate income figure, as her monthly income was approximately £1,280, which was £368 less per month than the £1,648 they used.
- C. Missed a creditor and monthly credit payment for £140.64.

This would explain the affordability issue here. Miss B's disposable monthly income, after deducting ONS living cost calculation, would've been very low. If Miss B spent more than the ONS figure, it could've been a negative figure. Bearing this in mind and her job status, Bamboo may have made a different lending decision.

So, I looked at why Bamboo's affordability checks (which as mentioned above, I considered to be proportionate) didn't pick up the important information in A, B and C (which I noted hadn't been evidenced).

Although I don't have an image of the application form Miss B completed and the accompanying information she would've seen, I think it more likely than not that the data Bamboo captured and kept (and submitted to our service) is what she entered. Also, as the loan agreement she agreed to, says (in regard to cancellation) '*if we become aware that any information provided by you before entering into this agreement, was false in a material respect*' I think that when she submitted the data which said '*net income*' is '*£1,654*' and '*status*' is '*employed - full time*', she would've known it was her responsibility to declare accurate information.

Although I don't disbelieve Miss B's assertion that her salary wasn't £1,654 and recognise there may have been a reason for her salary being inflated in the month she applied (perhaps because of overtime), I've seen evidence that Bamboo checked and confirmed this figure on the Open Banking report they obtained to conduct their proportionate checks.

Regarding the missing credit information, this can sometimes happen where credit is taken out with another lender either just before or at the same time and to mitigate this risk Bamboo's application also asks applicants for creditor repayment amounts. However, there is evidence this wasn't completed. As mentioned above, I think there was a responsibility for Miss B to provide accurate information. Although on its own I don't think the missing credit information meant the loan was unaffordable, I don't think it was unfair and unreasonable for Bamboo to place a reliance on the CRA information.

Having considered Miss B's points, including why she feels Bamboo miscalculated her disposable income, I can't see that Bamboo made any errors here. Also, I think it was fair and reasonable for them to rely and perform proportionate checks on the information she gave them.

So, although I'm very sorry to hear about Miss B's financial difficulties, for the reasons mentioned above, I'm not upholding this complaint against Bamboo Limited.

**My final decision**

For the reasons mentioned above, my final decision is that I'm not upholding this complaint against Bamboo Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 7 January 2026.

Paul Douglas  
**Ombudsman**