

The complaint

Mr C complains Bamboo Limited (“Bamboo”) irresponsibly lent to him.

What happened

Mr C took out an unsecured loan from Bamboo. The loan was approved on 1 May 2024 and this was for £5,000; the monthly repayments were £223.50 and the total repayable was £8,046. This had an APR of 39.9% and a 36-month term.

Mr C says Bamboo didn’t carry out appropriate affordability checks before lending to him. He says his credit report should have shown that he was experiencing financial difficulties and thinks that Bamboo should not have approved the loan given the extent of his existing debt. He says his bank statements would have shown that the amount of money coming in was less than his outgoings. He says that since taking out this loan he has struggled to make repayments and this has ended up making his financial situation worse.

He adds says he was struggling to manage his finances and feels that, had Bamboo completed proper checks, his application would not have been approved. So, he believes the lending was irresponsible.

Mr C wants Bamboo to refund all the interest and charges he has paid, add interest to any refund, remove any future interest from the loan, and remove any negative information recorded on his credit file.

Bamboo issued a final response letter on 4 November 2025. They said that before giving out the loan they carried out affordability checks to ensure that Mr C could pay this back. They say their checks were proportionate and showed the loan to be affordable based on the information available to them. They don’t agree that they lent irresponsibly.

Mr C wasn’t satisfied with the response from Bamboo and referred his complaint to this Service.

Our Investigator didn’t uphold the complaint. They found the checks carried out were proportionate and a fair decision to lend was made. They explained that Bamboo had considered the full mortgage commitments and even if Bamboo had used the lower income figure that Mr C had suggested, the loan would have been affordable. Mr C didn’t agree with this opinion.

Because an agreement couldn’t be reached, the complaint has been passed to me to decide.

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, I’ve reached the same outcome as the Investigator, largely for the same reasons. I know this will disappoint Mr C, so I’ll explain why.

I've kept in mind the regulator's rules and guidance on responsible lending (set out in its Consumer Credit Sourcebook – CONC) which lenders, such as Bamboo, need to abide by. Bamboo will be aware of these, and our approach to unaffordable/irresponsible lending complaints is set out on our website. I've used this approach to help me to decide Mr C's complaint. I won't refer to the regulations in detail here but will briefly summarise them.

The rules and regulations in place at the time Bamboo provided Mr C with the loan required them to carry out a reasonable and proportionate assessment to make sure he could afford to repay what he owed in a sustainable way. This is sometimes referred to as an 'affordability assessment' or 'affordability check'. Being able to sustainably repay credit means that they needed to consider whether Mr C could make repayments without undue difficulty, while being able to meet any other commitments and without having to borrow further.

There isn't a 'set list' of checks that lenders must complete, but they must be proportionate to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they are seeking, in order to treat them fairly. The checks needed to be borrower focused – so Bamboo had to think not just about the likelihood of them getting the funds back, or whether Mr C met their lending criteria. They also had to consider if he could sustainably repay the lending being provided to him. I've kept all of this in mind when thinking about whether Bamboo did what was needed, before lending to Mr C.

When Mr C applied for the loan, Bamboo used information Mr C provided, together with information from a credit reference agency (CRA) to help them decide whether the loan was affordable. Mr C said he was single, with no dependants, and reported a monthly income of around £4,021. He said he was a homeowner and declared monthly mortgage payments of around £850.

Bamboo verified Mr C's income using CRA data and carried out a credit check to understand his existing commitments. This showed that he had total debts of around £16,628, made up of £13,936 on a secured hire purchase agreement and £2,692 of unsecured borrowing. He was making regular monthly repayments of about £330 towards these commitments. The CRA information also indicated that Mr C had monthly mortgage repayments totalling £1,755. There was no negative information recorded, and there were no county court judgements (CCJs), Individual Voluntary Arrangements (IVAs) or evidence of bankruptcy.

Taking all of Mr C's known commitments into account, including the new loan repayment of £223.50, Bamboo calculated that he would have around £1,700 left each month in disposable income.

I've carefully considered Mr C's argument that Bamboo should have taken action to prevent him having a loan based on the historical pattern of indebtedness. However, things were looking much better now. The CRA information showed no recent missed payments or defaults, and his accounts had been up to date for around nine months before the application. In those circumstances, I'm satisfied the checks carried out were proportionate and that Bamboo didn't act unfairly in offering the loan. Based on the information available at the time, the repayments didn't appear to represent an unsustainable cost.

I've also considered Mr C's concerns about the accuracy of the income figure and credit report and his view that further checks—such as reviewing payslips or bank statements—should have been carried out. However, Bamboo verified income and debt using CRA data, and for lending of this type it's reasonable for firms to rely on automated checks rather than

manual verification.

The regulatory rules require affordability checks to be reasonable and proportionate, but they don't require lenders to obtain specific documents in every case. For the same reasons I've already explained, and given the absence of indicators suggesting further checks were needed, I don't think Bamboo acted unreasonably by approving the loan without requesting bank statements. While I appreciate this won't reflect how difficult Mr C later found the repayments, I have to base my decision on what Bamboo reasonably knew at the point the loan was approved.

I've also thought about Mr C's vulnerability as a result of gambling, and the impact this may have on his ability to handle his financial commitments. While I'm sympathetic to the difficulties he's described, Bamboo has said they weren't aware of this at the time.

Mr C has said he didn't disclose this when applying for the loan and was reluctant to share it. There's nothing in the information provided by Bamboo to suggest this was brought to their attention. So, I don't think Bamboo could reasonably have been expected to identify Mr C as vulnerable at the time, or to have taken any additional steps because of it.

In reaching my conclusions, I've also considered whether the lending relationship between Bamboo and Mr C might have been unfair to Mr C under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Bamboo did not lend irresponsibly when providing Mr C with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So, while it'll likely come as a disappointment to Mr C, I won't be upholding his complaint against Bamboo for the reasons explained above. I would however remind them of their ongoing obligation to treat Mr C fairly, and with forbearance.

My final decision

I am not upholding Mr C's complaint against Bamboo Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 May 2026.

Alison Wharton
Ombudsman