

## complaint

Mr B complained that Bamboo Limited was irresponsible in lending to him. He said Bamboo shouldn't have believed the information he'd sent it. He was also unhappy with Bamboo's collections tactics.

## background

In July 2015, Mr B applied for a £2,000 loan from Bamboo. Bamboo rang him to say it couldn't accept him because he had payday loans in arrears. Mr B replied that was only because he'd been on holiday. As Bamboo wanted proof the loans had been paid off, Mr B sent three screenshots. Bamboo granted him the loan, but Mr B fell behind after a couple of months.

When he fell behind with his payments, Mr B didn't like Bamboo's collections team ringing him on his work phone number. He complained to Bamboo that:

- It had lent irresponsibly as it should have identified the had the profile of a gambling addict, so he was vulnerable;
- It shouldn't have accepted his proof of repayment of three payday loans as these had been "*dodgy*";
- Bamboo's collection methods caused him stress and anxiety.

Bamboo replied that:

- It didn't seek to lend where the consumer couldn't repay the loan. It had considered prior credit history and loan affordability. Based on the information and assurances Mr B had provided, Mr B had satisfied Bamboo's requirements for sustainability affordability. With Mr B's assurances, it hadn't considered him a vulnerable customer to whom it shouldn't lend.
- Its underwriters had exercised judgement in Mr B's favour, after his explanations and proof. Bamboo said that with hindsight and Mr B's admittance that he'd forged the payday receipts, it recognised it had made the wrong decision. Bamboo pointed out that Mr B had also twice stated on a recorded call that he'd paid off some payday loans.
- Bamboo said that Mr B had provided the work phone number on his application. It explained that its first steps were always to send a text or email to the consumer's mobile, and ring that number, a maximum of three times a day. If there was no response, it would ring a work number, a maximum of once a day.

Mr B wasn't satisfied with Bamboo's response and complained to this service.

The adjudicator didn't uphold Mr B's complaint. He looked at the checks Bamboo had done before lending to Mr B. It had checked his income; that he was living with family and what he was paying them each month; and his credit file hadn't shown any defaults. Mr B's credit file had shown lots of short-term loans, but that didn't mean Bamboo shouldn't have lent. It was the reason Bamboo had asked Mr B to confirm he'd paid these off. And Mr B did so, with the

documents he later described as “*dodgy*”. So the adjudicator didn’t think Bamboo was irresponsible to lend to Mr B.

The adjudicator also looked at the ways in which Bamboo had contacted Mr B when he didn’t pay what he owed. Although Mr B had said he didn’t like speaking to Bamboo, the adjudicator didn’t think Bamboo was wrong in calling Mr B. He also pointed out that Mr B hadn’t completed Bamboo’s income and expenditure form, so they could try to work out a suitable repayment plan.

Mr B wasn’t satisfied. He said that when he’d told Bamboo he had two credit cards, he’d actually had five. He’d also had ten short-term loans, and he’d told Bamboo he had less than that. He said he’d sent the “*dodgy*” screenshots because he wanted to get the loan. He’d also begged for the loan on the phone to Bamboo. He said a responsible lender should have been able to judge that his finances were about to tip over the edge. Mr B also said that when he provided his work phone number, it hadn’t been so that Bamboo could contact him for the debt.

### **my findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

#### *Lending*

I’ve looked at the information which Bamboo had when it took the decision to lend to Mr B. It had his salary, living accommodation and costs, and information Mr B had given it. This included the three “*dodgy*” screenshots which Mr B had sent in, emails from him, and his verbal assurances over the phone that he’d paid off his payday loans. And Mr B’s credit file didn’t at that point show any defaults, just lots of payday loans, for which Mr B had sent the “*dodgy*” documents that he’d paid them off.

Based on this information, I find that Bamboo wasn’t irresponsible in deciding to lend to Mr B. With hindsight, it discovered this had been a mistake because Mr B hadn’t been truthful. But I don’t agree with Mr B that Bamboo should have been able to realise that he’d given false information, or that he was a gambling addict. The screenshots are not obvious forgeries. And I can’t see anything which should have led Bamboo to categorise Mr B as “*vulnerable*” as he now claims. So I find that Bamboo wasn’t at fault.

#### *Collection of debt*

Mr B said he isn’t happy about being phoned about his debt, and that he didn’t provide his work phone number in order for Bamboo to use it about debt. I consider that Bamboo is entitled to pursue Mr B for the money he owes it. I say this because Mr B signed up for the loan, and had the use of the money. And the records show he hasn’t co-operated with Bamboo about sorting out how to pay it back. Bamboo’s asked him to talk about his financial circumstances fully, including completing an income and expenditure form, but Mr B hasn’t done so. So I find that Bamboo was entitled to phone Mr B to try to get him to co-operate in sorting out his debt.

### **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 Mr B to accept or reject my decision before 30 January 2017.

Belinda Knight  
**ombudsman**