

complaint

Mr F has complained about how Bamboo Limited treated him after he missed a payment towards his loan account.

background

In December 2017, Mr F called Bamboo to make a payment towards his loan. But the person Mr F spoke to told him – incorrectly – that his account was up to date and he didn't need to make a payment that month. Mr F was assured he didn't need to pay anything in December, so he used that money to pay other creditors.

The next day, Bamboo sent Mr F a message saying it was applying charges to his account because he hadn't paid on time. Mr F says this caused him a lot of worry – his loan was guaranteed by a friend, who was also worried he might have to pay it instead.

Mr F called Bamboo up to explain he'd been told his account was up to date but his call with Bamboo didn't go well, causing Mr F more worry. Mr F explained he suffers from a very serious illness and this worry was worsening his mental health. Bamboo agreed to look at what Mr F had been told the day before.

In the meantime, Mr F visited his local Citizens Advice Bureau, who also spoke to Bamboo on his behalf. This time, Bamboo agreed not to try to take a loan payment that month. But on the way home, Mr F got another message saying Bamboo would still try to take a payment that month. Mr F complained to Bamboo about how he'd been treated.

Bamboo recognised it gave Mr F the wrong information. It refunded £60 of charges and sent Mr F a £30 shopping voucher. Bamboo asked Mr F for more details about his finances and health problems, even though he had provided evidence of his illness from his doctor. Unhappy with Bamboo's response, Mr F brought his complaint to us.

One of our investigators contacted Bamboo for further information. In its response, Bamboo recognised Mr F's complaint could have been dealt with a lot better. It wrote off Mr F's missed payment – around £130 – and increased its offer of compensation by £70. Bamboo said it hadn't been made aware of Mr F's illness before the missed payment in December 2017. But to avoid causing Mr F and his guarantor additional stress in future, Bamboo said it will make sure Mr F won't receive arrears letters or automatic calls chasing him for payment if he's a few days late with his monthly payments. Bamboo apologised for the upset caused to Mr F and his guarantor.

Our investigator considered everything afresh. He thought Bamboo was treating Mr F fairly by writing off Mr F's missed payment, refunding £60 of charges and offering him £100 compensation. Whilst Bamboo wasn't aware of Mr F's illness before December 2017, he thought Bamboo had since taken reasonable steps to treat Mr F fairly. Mr F disagreed, saying Bamboo's actions made his illness much worse, hurting his mental health, causing Mr F to fall behind on other payments. So this has come to me for a decision.

my findings

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

It's not in dispute that Bamboo made a mistake in telling Mr F he didn't need to make a payment in December 2017. And I understand Bamboo's mistake has caused Mr F a great deal of worry and upset, impacting his illness and mental health. Whilst I can't undo Bamboo's mistake and the impact it's had on Mr F, I can look at whether Bamboo is now treating him fairly and whether Bamboo's offer fairly compensates him for the impact it has had.

Bamboo sent Mr F £30 of vouchers and I agree Bamboo should increase Mr F's compensation by £70, bringing it to a total of £100. Whilst Bamboo did make a mistake, I don't think they were aware of the likely impact its mistake would have on Mr F because they didn't know about his illness. And I think Bamboo has taken other sensible steps to try make amends for Mr F since they became aware of his illness and mental health problems.

Whilst Bamboo made a mistake telling Mr F he didn't have to make a payment in December 2017, they were still entitled to ask Mr F to make the repayment. So I don't think their initial reaction asking Mr F to make the payment was unfair. And since then, Bamboo decided to write off the payment. I think Bamboo are treating Mr F fairly by ensuring his loan isn't extended because of the missed payment. I also saw Mr F's loan account statements, which show £60 of charges were refunded. I wouldn't ask for further charges or payments to be refunded as a result of Bamboo's mistake here.

I can see Mr F has missed the due date for his monthly repayments on a number of occasions. Once Bamboo were made aware of Mr F's illness and the impact of their actions on Mr F's mental health, they took sensible steps to give Mr F some breathing space if he can't make a monthly payment on the due date. Bamboo have an ongoing responsibility to treat Mr F positively and sympathetically. If Mr F has problems making his repayments in the future, I'd encourage him – or a representative – to contact Bamboo and discuss what they can do to help him.

my final decision

For the reasons explained above, I uphold Mr F's complaint. Bamboo Limited should put things right by writing off Mr F's missed loan repayment and send Mr F an additional £70 to compensate him for the upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 June 2018.

Vicki Blackwood
ombudsman