

The complaint

Ms V complains Bamboo Limited (“Bamboo”) is holding her liable for the debt on a loan she says she was tricked into by scammers.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, in December 2021 a loan was taken out with Bamboo in Ms V’s name for £2,500. Ms V subsequently got in touch with Bamboo to let it know she’d been tricked into the loan by scammers. She said the scammers tricked her into thinking they could help her recover crypto she thought she’d previously lost, if she ‘put more money in’; and as she didn’t have ‘more money to put in’, the scammers persuaded her to take out the Bamboo loan for this purpose, in circumstances where she was tricked into thinking it wasn’t a ‘proper’ loan but just part of the process to get her crypto back. Bamboo investigated things and ultimately couldn’t reach agreement with Ms V, so she referred her complaint about Bamboo to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for a decision.

I sent Ms V and Bamboo my provisional decision last month explaining what I was minded to conclude and why. Now the parties have had opportunity to comment further, I’m now ready to explain my final 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.

Having done so, I’ve reached the same conclusions as in my provisional decision and for the same reasons. I’ve explained why again below.

My first consideration is: did Ms V enter into this loan agreement, or was it done without her knowledge and/or consent? And in this case, I’m satisfied that Ms V both knew about the loan and consented to it, so she *did* enter into the loan agreement.

I’ve taken on board what Ms V has said about her thinking it wasn’t a ‘proper’ loan but just part of the process to get her crypto back. But Ms V understood Bamboo was a lender, and the scammers led her to believe they were affiliated with Bamboo. I don’t think what Ms V has said is the same thing as her not understanding she was taking out a loan with Bamboo, even if she thought it would just be a formality. So I’m satisfied I can’t fairly say Ms V didn’t enter into the loan agreement.

In response to our Investigator’s assessment, Ms V’s representative has said Bamboo is targeted by fraudsters and that Bamboo appears to be aware of a fraud trend of remote access software being used to take out loans. Ms V’s representative has asked if Bamboo had software in place to identify the use of remote access software during Ms V’s application. But there was no requirement I am aware of for Bamboo to have such a specific system in place and I don’t think it was unreasonable in this case that Bamboo did not have

this capability. Instead, I'm satisfied Bamboo took reasonable steps to verify Ms V's application was genuine. What's more, in this case I'm satisfied, as I've said above, that Ms V was aware of the loan. And Bamboo has said it sent an email to Ms V before the loan was approved which pointed out scam warning signs such as remote access software. So, in this case, I don't think Bamboo can reasonably be blamed for what happened.

Ms V's representative has also raised the issue of alleged unaffordable lending. For clarity, our usual approach on unaffordable lending is that interest and charges should be removed but the consumer should still pay back the principal amount of the loan they had the benefit from. But here, I don't think the loan was irresponsibly lent. Ms V presented in the application as employed full-time with the same employer for 25 to 30 months, earning a net monthly salary of £1,527, with monthly rent, essential and other expenses totalling £940.

I understand Bamboo took steps to verify the stated income; it considered variations of typical expenses; and Ms V's credit report didn't flag concern. Given the amount being borrowed and how things lined up, I think these were reasonable and proportionate checks on Bamboo's part.

Also, it's my understanding that Ms V has already been compensated by Starling (through a separate case) regarding the loss of the loan funds. This is because on 9 December 2021 the loan funds of £2,500 were paid first to Ms V's Halifax account; then from there to Ms V's Starling account; and then from there to the scammers. And Ms V brought a complaint to us about Starling, the outcome of which included that Starling would refund Ms V half of her loss plus interest. Only half was refunded because it was considered Ms V should share equal responsibility for the loss given her actions. In circumstances like this, where Bamboo granted the loan in good faith, and Ms V then paid those funds to the scammers, but has since received the appropriate amount of funds back from Starling that our Ombudsman in that case thought fair to balance responsibility for the loss of the money, I don't think I can fairly tell Bamboo, in this case, that it can't pursue Ms V under the loan agreement for the outstanding amount. Ms V has already received half the loan amount back with interest from Starling (which she could use to repay part of the loan). It also looks like Ms V has already repaid some of the loan, so I'm satisfied things are affordable from here.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 11 January 2024.

Neil Bridge
Ombudsman