

The complaint

Mr J complains that Bamboo Limited irresponsibly lent him a loan.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my decision.

Bamboo disagreed with the adjudicator and essentially reiterated its points from its file submission about why the loan was affordable for Mr J.

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 agree with the conclusions reached by the adjudicator for these reasons:

- Bamboo's checks showed information that should have concerned it about Mr J's ability to repay the loan without struggling.
- The open banking report it obtained for Mr J showed that on average over the three months prior to the lending decision his income was around £1,498.
- On the same report, Mr J's recurring monthly expenses were around £1,275, when you consider the loan repayment of £327.18, Mr J had no disposable income left.
- Bamboo had this information but failed to react to it and so it lent to Mr J when he clearly couldn't afford the repayment over the term of loan.

Putting things right – what Bamboo needs to do

- Remove all interest, fees and charges applied to the loan.
- Treat any payments made by Miss C as payments towards the capital amount of £5,0000.
- If Mr J has paid more than the capital, then any overpayments should be refunded to with 8%* simple interest from the date they were paid to the date of settlement.
- But if there's still an outstanding balance, Bamboo should agree a reasonable repayment plan with Mr J.
- Remove any adverse information about the loan from Mr J's credit file once he has fully repaid the capital borrowed.

† HM Revenue & Customs requires Bamboo Limited to take off tax from this interest. Bamboo Limited must give Miss C a certificate showing how much tax it's taken off if she asks for one.

My final decision

For the reasons given above, I uphold Mr J's complaint and direct Bamboo Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 10 August 2023.

Oyetola Oduola
Ombudsman