

## **Complaint**

Mr P has complained about a loan Bamboo Limited (trading as “Bamboo” Loans) provided to him. He says the loan was unaffordable.

## **Background**

Bamboo provided Mr P with a loan for £2,000.00 in June 2016. This loan was due to be repaid in 12 monthly instalments of around £205.

One of our investigators reviewed what Mr P and Bamboo had told us. And he thought that Bamboo hadn’t done anything wrong or treated Mr P unfairly. So he didn’t recommend that Mr P’s complaint be upheld. Mr P disagreed and asked for an ombudsman to look at his complaint.

## **My findings**

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

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Mr P’s complaint.

Having carefully considered everything, I’ve decided not to uphold Mr P’s complaint. I’ll explain why in a little more detail.

Bamboo needed to make sure that it didn’t lend irresponsibly. In practice, what this means is Bamboo needed to carry out proportionate checks to be able to understand whether Mr P could afford to repay before providing this loan.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Bamboo provided Mr P with a loan for £2,000.00 June 2016. This loan was due to be repaid in 12 instalments of around £205. Bamboo says it agreed to Mr P’s applications after he provided details of his monthly income and some information on his expenditure.

It says it cross-checked this against information on a credit search it carried out. And all of this information showed Mr P could to comfortably make the repayments he was committing to. On the other hand, Mr P has said the loan was unaffordable.

I've carefully thought about what Mr P and Bamboo have said.

The first thing for me to say is that Bamboo has provided a record of the results of its credit searches. Bamboo searches appear to show that Mr P did have some existing debts but that his commitments at the time were relatively well maintained. Crucially, according to the credit searches, Mr P's debt total at the time of the applications was low in comparison to his income.

I accept that Mr P's actual circumstances may not have been fully reflected either in the information he provided, or the information Bamboo obtained. But the key here is that it's only fair and reasonable for me to uphold a complaint in circumstances where a lender did something wrong.

Given the circumstances here, and the lack of obvious inconsistencies, I'm satisfied that Bamboo was reasonably entitled to lend to Mr P. I say this while especially mindful that, in any event, we haven't been provided with anything which demonstrates the loan was obviously unaffordable either.

As this is the case, I don't think that Bamboo did anything wrong when deciding to lend to Mr P - it carried out proportionate checks and reasonably relied on what it found out which suggested the repayments were affordable.

So overall I don't think that Bamboo treated Mr P unfairly or unreasonably when providing him with his loan. And I'm not upholding Mr P's complaint. I appreciate this will be very disappointing for Mr P. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 20 November 2023.

Jeshen Narayanan  
**Ombudsman**