

## **The complaint**

Mr J's complaint is that Evergreen Finance London Limited trading as MoneyBoat.co.uk ("MoneyBoat") irresponsibly lent to him.

## **What happened**

MoneyBoat lent Mr J one short term instalment loan in July 2018. The loan was for £500 with six monthly repayments (5 x £159.33 and 1 x 159.25).

Our adjudicator didn't think MoneyBoat was wrong to lend to Mr J and so she didn't recommend that this complaint should be upheld. Mr J disagreed, he said MoneyBoat should have carried out thorough checks before lending and had it done so it would have seen he had a gambling problem. Mr J says his credit file showed he was borrowing regularly and reliant on credit. Mr J also says the fact MoneyBoat adjusted his declared expenses to reflect a higher amount suggests it should have taken its checks further.

As the complaint remains unresolved, it has been passed to me to make a 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.

MoneyBoat is aware of its obligation when lending as set out in the regulator's handbook as it has referred to it in its final response to Mr J. We've also set out our general approach to complaints about short-term lending - including all of the relevant rules, guidance and good industry practice - on our website. So, I won't repeat them here.

MoneyBoat asked Mr J about his monthly income and living costs. It also searched his credit file before agreeing to lend. Mr J requested £1,500 but MoneyBoat only lent £500, the purpose of the loan was stated as credit repair.

Mr J declared his monthly income as £3,000 and his monthly living costs including credit commitments as £1,630, MoneyBoat increased Mr J's expenses by £303 and so lent on the basis that Mr J's monthly expenses including credit commitment was £1,933. This would have left Mr J sufficient disposable income to afford the loan repayments over the term.

Mr J's credit file showed he had a number of active unsecured loans, the payday loans on his credit file were showing as settled and so from what I can see, Mr J wasn't repaying any payday loans at the time MoneyBoat lent to him although he had used payday loans in the past. Mr J also had a number of credit card accounts, the total outstanding balance on all his credit card accounts was £15,701. Mr J was utilising around 80% of his available revolving credit limit. The credit file showed Mr J was up to date on all his active accounts and had only opened 2 credit accounts in the last six months. Mr J had also recently repaid a credit card with a balance of over £2,500.

There was nothing obvious from Mr J's credit file that suggests he was in financial

difficulties. MoenyBoat reacted to the information it saw on Mr J's credit file by increasing his expenses to reflect the credit payments. I'm also mindful that the loan repayment was a small portion of Mr J's declared income (MoneyBoat says it verified his income through credit reference agencies). The checks MoneyBoat carried out show Mr J was left with sufficient disposable income to repay the loan over the six-month term.

Given the overall circumstances of this lending and what MoneyBoat found from its checks, I think it did enough before lending. It reacted to the information on Mr J's credit file by increasing his monthly expenses, that was reasonable in the circumstances of this case. I appreciate Mr J says a deeper look into his financial circumstances was necessary and that looking at his bank statements would have shown he had a gambling problem.

While there's a requirement for MoneyBoat to carry out reasonable and proportionate checks, it isn't automatically required to check bank statements when lending. I haven't seen anything that should have triggered it to request bank statements from Mr J before agreeing this loan. There was also nothing it saw that made it aware Mr J had problems with gambling.

The purpose of the loan wasn't unreasonable, it borrowed Mr J less than he requested based on its checks. Those checks also showed Mr J's expenses were more than he declared, something MoneyBoat reacted to, and Mr J was still able to meet the loan repayments and have disposable income left.

I don't think MoneyBoat was wrong to lend in the circumstances. I appreciate Mr J will be disappointed with my findings as he clearly feels strongly about his complaint but based on reasonable and proportionate checks, MoneyBoat wasn't wrong to lend.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 November 2023.

Oyetola Oduola  
**Ombudsman**