

## The complaint

Mr H complains that Evergreen Finance London Limited trading as MoneyBoat.co.uk ("MoneyBoat") pushed him into accepting a number of repayment plans which were unaffordable for him. The plans failed and Mr H ended up with a County Court Judgement (CCJ).

## What happened

A summary of Mr H's borrowing can be found below.

loan number	loan amount	agreement date	repayment date	number of monthly instalments	largest repayment per loan
1	£200.00	15/02/2019	01/08/2019	6	£56.42
2	£1,500.00	09/08/2019	outstanding	6	£441.90

Although, I've marked the second loan as being outstanding, there is an indicator within MoneyBoat's file that Mr H may have now settled the balance.

Mr H has raised two separate complaints, one was about the affordability of the loans and MoneyBoat issued a final response letter about this issue in October 2021. MoneyBoat didn't uphold Mr H's complaint.

Mr H then made a second complaint in 2023, this time the complaint was about MoneyBoat would only agree to repayment plans that were unaffordable to him. As a result of the payment plans failing – due to them being unaffordable, MoneyBoat appears to have obtained a County Court Judgement (CCJ).

MoneyBoat in response to the second complaint agreed it had done something wrong. It explained.

*"Having conducted a comprehensive review of all the information, including correspondence we hold our system, I partially uphold your complaint and in resolution I would like to offer to remove the CCJ from your credit file and freeze the interest on your loan from the first date you requested for the £50pm arrangement to be put in place (20/01/20) in full and final settlement of your complaint."*

MoneyBoat said should Mr H accept the offer, it would've cleared his small outstanding balance resulted in a refund being made to him. Mr H didn't accept the offer and instead referred the complaint to the Financial Ombudsman.

In the investigator's first assessment, she explained why the Financial Ombudsman couldn't consider the complaint about the affordability of the loans because Mr H had referred that part of the complaint here more than six months after the final response had been issued. Mr H agreed the affordability complaint was made too late, and instead wanted the complaint about the repayment plans and the CCJ to be reviewed.

The investigator then assessed the complaint about the repayment plans. She explained and provided an overview of key interactions between Mr H and MoneyBoat. She went onto explain Mr H had informed MoneyBoat that he hadn't been working and his income had reduced in October 2019 – shortly after loan 2 was approved. Mr H offered a repayment plan, but she didn't think it was fair or right that Mr H was asked to make a payment on the day he wanted a plan putting in place given what Mr H had disclosed.

By January 2020, Mr H had informed MoneyBoat that he was seeking advice about obtaining an IVA. An income and expenditure form was completed, and MoneyBoat questioned why Mr H's income had reduced – even though Mr H had already explained the reasons for this to MoneyBoat on two previous occasions.

Mr H then approached MoneyBoat in July 2020, offering to make payment but again, MoneyBoat wanted him to make payments that he said were unaffordable. Mr H increased his monthly repayments to £100 per month – but MoneyBoat wanted more - £125 per month.

Mr H then made his £100 per month payment in August 2020 and September 2020 before MoneyBoat was granted a CCJ in November 2020. Following further disclosures by Mr H about his current financial situation, it was then agreed in December 2020 that Mr H could repay what he owed by paying £50 per month – which is the amount he had originally offered to pay MoneyBoat in January 2020.

So, while the investigator acknowledged the offer MoneyBoat had made in the final response, she didn't think it went far enough, given what MoneyBoat knew and the requirements in the guidance about treating a customer in financial difficulties fairly and with forbearance. She recommended MoneyBoat do what it had already agreed as well as doing the following:

- Pay Mr H £300 compensation and
- Rework the account as if interest had been frozen on 30 October 2019 which is the date Mr H first told MoneyBoat about his financial difficulties.

MoneyBoat didn't respond to the investigator's outcome or findings despite it being chased and letting it know the complaint was ready for a decision. Mr H appears to have accepted the outcome that has been reached. As no agreement could be reached the complaint has been passed to me for 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.

I want to start by saying I'm sorry to read about Mr H's health issues and the impact that this had on him, I do hope that things have since improved for him.

MoneyBoat, despite being reminded, hasn't provided any further submissions following the investigator's view. So, I don't know, what if anything it thinks about the outcome the investigator reached. It's also worth noting that Mr H agreed with the investigator's outcome.

Firstly, while MoneyBoat has said it would seek to remove the CCJ from the credit file, Mr H is aware that it's something I'm not going to be considering or commenting on any further. It also isn't something that I can direct MoneyBoat to do.

MoneyBoat, in the final response also accepted that it should've done more to assist Mr H when he approached it to set up a repayment plan for £50 per month in January 2020. As a

result, it has offered to recalculate the balance of the account as if interest was frozen on that date. Whereas the investigator has said the freeze of the interest ought to have been applied sooner – from 30 October 2019.

I've now reviewed the contact notes between Mr H and MoneyBoat up to this point in time, as there is no need to consider what happened after 20 January 2020 because by MoneyBoat's own admission it ought to have done more.

The investigator said that MoneyBoat ought to have offered forbearance to Mr H which it was required to do by the regulations and froze the interest and charges from when he first approached it for help and support on 30 October 2019. The relevant guidance here can be found in CONC 7.3.5 which says;

*Examples of treating a customer with forbearance would include the firm doing one or more of the following, as may be relevant in the circumstances:*

- (1) considering suspending, reducing, waiving or cancelling any further interest or charges (for example, when a customer provides evidence of financial difficulties and is unable to meet repayments as they fall due or is only able to make token repayments, where in either case the level of debt would continue to rise if interest and charges continue to be applied)*

I've thought about this to see whether, as the investigator has suggested that help and support ought to have been extended to Mr H from October 2019. From looking at Mr H's email of 30 October 2019, he provides a comprehensive overview of his situation, the reason why payments haven't been made and that it could be some time before he's back at work full time. He also made what I consider to be a reasonable offer to get his payments back on track.

Following further emails between Mr H and MoneyBoat at the end of the October 2019 it was agreed for him to pay £200 per month for three months and then revert to contractual repayments – but Mr H also made it clear this arrangement couldn't start until the end of November 2019. Whereas MoneyBoat insisted the first payment be made in October 2019 despite what Mr H had just declared to it about his health and the reason why the payments hadn't been made.

Mr H told MoneyBoat about his change in circumstances and MoneyBoat had to react to what it was being told and treat him fairly and with forbearance. MoneyBoat was given sufficient information to suggest Mr H had suffered significant health issues and hadn't worked full time for around three months and wouldn't be back at work full time for up to another 4 months.

Mr H was open and candid with MoneyBoat about his situation and it responded by asking for a repayment on the day he emailed in October 2019 when it ought to have realised that wasn't going to be possible, given the recent disclosures.

So, I do think, at this time to have treated Mr H fairly and with forbearance, MoneyBoat ought to have suspended the interest that was due to be added to the balance.

Like the investigator, I agree that MoneyBoat ought to have done more and as a result of not assisting Mr H she thought a payment of £300 was warranted in recognition of the distress and inconvenience caused. I've seen nothing to say that payment shouldn't be made nor has MoneyBoat commented on what it thinks about it. So, I am also directing MoneyBoat to make payment of £300 for the lack of help and support it offered Mr H during the time when Mr H gave it information about his health and finance.

I am upholding Mr H's complaint and I've set out below what MoneyBoat ought to do to put things right for Mr H.

### **Putting things right**

In order to put things right MoneyBoat should:

- pay Mr H directly £300 compensation and
- rework the balance of the loan as if interest had been frozen on the loan from 30 October 2019. If by doing this Mr H has now repaid what he owed, then MoneyBoat should refund any overpayments along with 8% simple interest\* from the date the overpayment arose to the date of settlement.

\*HM Revenue & Customs requires MoneyBoat to deduct tax from this interest. MoneyBoat should give Mr H a certificate showing how much tax it has deducted, if he asks for one.

### **My final decision**

For the reasons I've explained above, I'm upholding Mr H's complaint in part.

Evergreen Finance London Limited trading as MoneyBoat.co.uk should put things right for Mr H as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 June 2024.

Robert Walker  
**Ombudsman**