

The complaint

Mr G complains about two credit searches carried out by Evergreen Finance London Limited trading as MoneyBoat.co.uk (“MoneyBoat”) when he was applying to it for a loan in February 2024.

What happened

Mr G applied for a £400 loan from MoneyBoat in February 2024. The credit searches were the sort which do appear on an applicant’s credit file and so do have an impact. During the application, the first credit search was carried out using an incorrect (old) address. It was described as ‘invalid’ by MoneyBoat. The second search carried out a short time later was when Mr G had expressed concern at the requested verification of his employment by use of his work email. So, he did not consent to that second search.

After receiving the final response letter from MoneyBoat on 28 March 2024, Mr G considered the MoneyBoat offer to remove the second search from his credit file but wanted the first search to be removed as well, plus compensation. MoneyBoat answered his concerns with a series of follow-up emails but would not agree to either of those additional requests.

Mr G referred his complaint to the Financial Ombudsman Service. One of our investigators gave her opinion - she thought MoneyBoat should not have to remove the first search, it did have to proceed to do as it said it would do and remove the second search, and she thought that it ought to pay Mr G compensation of £150. Part of this compensation was to cover the way that the complaint was handled.

MoneyBoat responded to say that it accepted our investigator’s summary of the facts, that Mr G had been caused inconvenience and her opinion as to what was needed to put things right. And MoneyBoat accepted that some ‘*monetary redress*’ was due to Mr G. But it was only willing to pay £50 as compensation as it thought that was the appropriate figure.

Mr G disagreed and did not accept that £50 offer. He did not disagree with our adjudicator’s view in which she had said the second search should be removed from his credit file. So, the difference between the parties is the value of the compensation.

The unresolved complaint was passed to me to decide.

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.

As the core of the complaint has been resolved for all but the compensation element then I have approached the complaint on that basis. I do not set out here all the details of the emails sent between the parties as my summary of the events leading up to the complaint being on my desk has been given earlier in this decision. But I assure Mr G I’ve read all the correspondence.

MoneyBoat has accepted our adjudicator's view and has acknowledged that for Mr G to have been dealing with two MoneyBoat representatives at the same time would have been confusing for him. It accepts that a level of compensation is due since receiving our investigator's view.

I've read all that Mr G has supplied to us together with the evidence from MoneyBoat and it is clear that Mr G suffered trouble and upset and was inconvenienced. £50 is too low a sum to be paid as compensation to Mr G having read all I have read. And I consider that the £150 figure proposed by our investigator was the correct figure.

And I say that because it seems a fair and reasonable sum considering the combination of the distress of knowing that two hard searches in quick succession would appear on his credit file, and the way that sometimes Mr G's queries were not answered directly by the MoneyBoat representatives. For instance, he had to ask more than once for a telephone number to be provided to him – one which he could be confident would be answered. And he was promised a 'call-back' on at least one occasion which was not honoured. Mr G's overall experience with his loan application (including the follow-up events and how they were handled) was not a happy one.

Putting things right

MoneyBoat needs to arrange with the Credit Reference Agencies the removal from Mr G's credit file of the second credit search carried out in February 2024.

MoneyBoat needs to pay to Mr G the sum of £150 for distress and inconvenience.

My final decision

My final decision is that I uphold the complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 September 2024.

Rachael Williams
Ombudsman