

The complaint

Mr E complains that an offer for compensation should have been paid directly to him by Evergreen Finance London Limited trading as MoneyBoat.co.uk (MoneyBoat). He also complains that a loan was irresponsibly lent to him and MoneyBoat failed to set up a payment plan for him.

What happened

Mr E took out a loan for £350 on 14 September 2020 with MoneyBoat. On 9 August 2024 MoneyBoat proactively approached Mr E following an internal review and offered him £100 compensation as it had found it could have provided Mr E with a more appropriate level of support when he experienced financial difficulties in the past. This brought Mr E's loan balance down from £359 to £259. MoneyBoat also offered to remove any negative information recorded on Mr E's credit file in relation to the loan he took with it. This prompted Mr E to raise a complaint to MoneyBoat. He said he felt the offer was too low considering the level of service he'd received and asked for the loan balance on his account to be written off. Mr E also complained about MoneyBoat having failed to set up a payment plan for him.

On 23 August 2024, MoneyBoat upheld this complaint in part and made a further offer of £100 for distress and inconvenience as it thought it could have offered Mr E more support than it did whilst the loan was ongoing. This would reduce Mr E's loan balance to £159. Mr E initially rejected this offer and said he wanted the full balance of the loan written off and the £100 compensation to be paid in to his bank account. Mr E raised a complaint to our service and as conversation between MoneyBoat and Mr E was not productive, MoneyBoat said it would put the account on hold for a period of three months whilst we reviewed his complaint.

Mr E reverted to MoneyBoat and said he wanted the loan balance to be reduced to £130 and a payment plan to be put in place to resolve this issue for him. MoneyBoat agreed and increased the offer to reduce the loan balance to £130 in full and final settlement of the complaint, and worked with Mr E to set up a payment plan for the remaining balance left to be paid.

Mr E initially withdrew his complaint from our service following acceptance of the last offer from MoneyBoat, and later asked us to continue looking into it. He told us that he was unhappy that the payment for distress and inconvenience had not been made directly to him. He said the loan itself had been lent to him irresponsibly and wanted this considered and the loan written off in its entirety. He further said MoneyBoat was harassing and bullying him for information with regard to the payment plan, and that it was refusing to set one up.

Our investigator reviewed the complaint and addressed the matter of the offer for distress and inconvenience having been used to offset some of the balance on the loan. She said our service could not consider this matter as the offer had been made in full and final settlement, and Mr E had accepted this.

Mr E remained unhappy with the outcome and expressed he still felt the loan had been irresponsibly lent to him and he had been bullied. So, the complaint was passed to me to decide.

I issued a provisional decision in which I said:

- Mr E accepted the offer in full and final settlement of his complaint. By choosing to accept the offer, Mr E entered into an agreement with MoneyBoat that effectively ended the dispute. If our service were to look again at this matter, it would effectively undermine this, and this could seriously impair how this service operates. Under DISP 3.3.4A I did not think it appropriate to look at this complaint point any further.
- Mr E raised a complaint about irresponsible lending to MoneyBoat and a final response letter was issued on 26 March 2021. As Mr E referred his complaint to us in August 2024, I found I could not consider the complaint as the complaint had been brought outside the six-month time limit as per DISP 2.8.2R(1).
- It appears a breakdown in communication was the reason there had been some difficulty in setting up a payment plan. However, I had no evidence to suggest MoneyBoat has been bullying or harassing Mr E and in fact, it had actively worked to try and set up a payment plan for him. As a payment plan had been arranged, I found this to be an appropriate resolution to settle Mr E's concerns.

MoneyBoat responded to my provisional decision and had nothing further to add. Mr E responded and said:

- There are things that were missed when the payment plan was set up.
- With his learning disability, he was finding it difficult to read the emails and messages sent to him by MoneyBoat and the discrimination has therefore continued.
- The payment plan has not been put in place and MoneyBat is bullying him by saying it will pass the account to a third party.

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.

Neither party to the complaint has added anything further to my comments concerning the offer or irresponsible lending. My opinion on these two matters therefore remains the same, for the reasons provided in the provisional decision.

Mr E's main concerns are in relation to the payment plan. I asked Mr E to provide further information about any items of expenditure that have not been taken in to account when the payment plan was set up. Mr E has not provided any detail about this, so in the absence of any specifics I do not find an error in relation to how MoneyBoat set up the payment plan.

Mr E states that in continuing to send him emails and messages that he cannot understand due to his vulnerability, he is being discriminated against. Although I appreciate the difficulty that Mr E is facing, Mr E has continued to correspond with MoneyBoat by email. He has told us that he requires telephone contact in order to understand properly but there is no evidence to suggest he has told MoneyBoat this. In any event, MoneyBoat made the decision prior to Mr E disclosing his vulnerability not to liaise with Mr E over the telephone due to his conduct towards its staff. In the circumstances, I do not find it unreasonable that MoneyBoat has continued to contact Mr E in writing and I cannot say that I find it to be discriminatory. If MoneyBoat is willing to revise its position on contact with Mr E then this may make communication between the parties easier, but there is no obligation on it to do so considering the reasons why it decided to stop telephone contact in the first place.

Mr E is concerned about MoneyBoat stating it will pass the account to a third party and finds this behaviour to be bullying. Over the course of Mr E's complaints, MoneyBoat has removed all interest and charges from the loan. It has further reduced the capital of the loan significantly by offering compensation which was offset against the loan. For the remaining balance, MoneyBoat agreed for Mr E to pay £5 per month for six months, after which there would be a further review. This was due to commence on 31 January 2025 and would be in place provided Mr E made the payment on time. MoneyBoat has treated Mr E with appropriate forbearance in the circumstances.

If Mr E did not make the payment on time then any action taken by MoneyBoat would be a more recent development that I have not had sight of. However, I note that Mr E has failed to make regular payments towards this loan account from the onset of the loan. If MoneyBoat has said the debt may be passed to a third party then this is something that is allowed for in the terms of the loan which say:

"13. Missing payment warning:

Should we fail to receive payment in accordance with your obligations under this Agreement a number of consequences may arise: in addition to being liable for default charges (including but not limited to interest on the sums outstanding under this Agreement), your credit rating may be adversely affected, which will make it more difficult and/or more expensive for you to apply for and obtain credit in the future.

In addition we (and/or third parties instructed on our behalf) may commence legal action against you to recover amounts owing and you may be liable to pay all and any associated legal costs. Should we obtain a County Court Judgement we may enforce this by way of applying to the Court for an Attachment of Earnings Order."

I therefore do not find that MoneyBoat has treated Mr E unfairly and my opinion on the payment plan remains the same as outlined in the provisional decision.

My final decision

My final decision is that I do not find we can consider Mr E's concerns about the offer, that his complaint about irresponsible lending was brought too late, and I do not uphold his complaint about the payment plan.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 11 April 2025.

Vanisha Patel
Ombudsman