

The complaint

Mrs M complains that Evergreen Finance London Limited, trading as MoneyBoat.co.uk, (“Evergreen”) lent to her irresponsibly and without carrying out proper affordability checks.

What happened

Between January 2020 and April 2021, Evergreen approved four instalment loans for Mrs M, the details of which are set out in the following table:

Loan	Date approved	Amount	Repayments	Repaid
1	15 January 2020	£200	£120.36 x 2 months	27 February 2020
2	2 March 2020	£700	Circa £211 x 6 months	27 August 2020
3	11 January 2021	£300	Circa £132 x 3 months	25 March 2021
4	8 April 2021	£700	Circa £203 x 6 months	30 September 2021

When assessing the applications, Evergreen asked Mrs M about her financial circumstances and carried out a credit check before approving the lending.

Mrs M appears to have maintained the accounts well, and they were settled in full.

The investigator looked at the evidence and thought Evergreen hadn’t done anything wrong in approving the lending for Mrs M. Mrs M’s representative disagreed and asked an ombudsman to look at the complaint.

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.

Having done so, I’m not upholding it, and I’ll explain why.

Evergreen is aware of its obligations under the rules and regulations in place at the time of these lending decisions, including the Consumer Credit Sourcebook (“CONC”), so I won’t repeat them here. But, briefly, it was required to carry out sufficient checks to ensure that Mrs M would be able to repay the borrowing applied for in a sustainable way. As set out in CONC 5.3.1G(2) that means that she could manage the repayments,

“...without...incurring financial difficulties or experiencing significant adverse consequences”

Essentially, she needed to be able to meet her financial commitments and not have to borrow elsewhere to repay Evergreen for the loan to be considered affordable

and sustainable.

There are two questions I need to consider when deciding this case, which I will deal with separately below.

Did Evergreen carry out proportionate checks before granting these loans?

The investigator thought that Evergreen's checks went far enough when assessing all four of these applications. As mentioned above, they involved Evergreen asking Mrs M about her income and expenditure; checking her income; sense checking her declared expenditure using statistical modelling; and carrying out a credit check.

It's important to remember that there is no definition of what proportionate checks are, and that they should be borrower and circumstance focused. So I would expect them to change from customer to customer, and indeed sometimes from application to application.

I agree that Evergreen's checks went far enough for loans 1 and 3. I say that because, although there was some adverse information on Mrs M's credit file, this was relatively historic. Loan 1 was the start of Mrs M's lending relationship with Evergreen and was for a relatively modest amount. It was entitled to rely on information she gave it about her income and expenditure, and there was no indication that the repayments would be unaffordable for her.

Similar facts were present in respect of loan 3. Although this loan was for a higher amount, it was still comparatively modest. Mrs M did not have any additional adverse information on her credit file; she had managed her previous loans with Evergreen well; and had had a break in borrowing after loan 2. I have noted that Evergreen was aware that Mrs M's overall amount of unsecured borrowing had risen quite significantly between her applications for loans 2 and 3. But, in the round, I don't think that was enough to signal a potential affordability risk for this particular application.

However, I don't agree that Evergreen's checks were proportionate in respect of loans 2 and 4. Crucially, these applications came within a very short time of previous loans having been repaid and were for more than double the amount of those previous loans. Taken in tandem with the fact that Mrs M did have a history of financial difficulties, I think those factors ought to have led Evergreen to ask further questions and possibly look for some evidence around Mrs M's expenditure.

What would further checks have shown?

Unfortunately, despite repeated asking, Mrs M's representatives have not been able to provide any evidence which would enable me to answer this question.

Consequently, I have no basis on which to change the outcome of this complaint. Whilst I don't think Evergreen's checks were proportionate for loans 2 and 4, I have not been able to establish what proportionate checks would have demonstrated.

It therefore follows that I do not uphold this complaint.

My final decision

For the reasons I've explained, I don't uphold this complaint and Evergreen does not need to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or

reject my decision before 30 September 2025.

Siobhan McBride
Ombudsman