DRN-5501580

Complaint

Mr C has complained about high-cost short-term credit instalment loans he took out with Evergreen Finance London Limited (trading as "Moneyboat".co.uk). He says that these loans were unaffordable and so shouldn't have been provided to him.

Background

This complaint centres on the provision of two high-cost short-term credit instalment loans that Moneyboat provided to Mr C. Mr C's lending history with Moneyboat is as follows:

Loan	Taken	Settled	Amount	Term*	Payment
1	February 2024	March 2024	£300	3	£129.30
2	August 2024		£400	5	£130.06

* months

One of our investigators reviewed what Mr C and Moneyboat had told us. And he thought that Moneyboat hadn't acted unfairly or unreasonably in providing the loans. So the investigator didn't recommend that Mr C's complaint be upheld.

Mr C disagreed and asked for an ombudsman to look at the complaint.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've explained how we handle complaints about short term lending on our website. And I've used this approach to help me decide Mr C's complaint.

Having carefully thought about everything I've been provided with, I'm not upholding Mr C's complaint. I'd like to explain why in a little more detail.

Our approach to irresponsible and unaffordable lending complaints

Mr C was provided with high-interest loans, intended for short-term use. So Moneyboat needed to make sure that it didn't provide them irresponsibly. In practice, what this means is that Moneyboat needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mr C before providing it.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we'd expect

a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

Moneyboat's checks before agreeing to lend to Mr C

Moneyboat says it agreed to Mr C's applications after he'd provided details of his monthly income and expenditure. It says the information Mr C provided on his income and expenditure showed that he'd be able to make the repayments he was committing to. And in these circumstances it was reasonable to lend. On the other hand, Mr C says that the loans were unaffordable and shouldn't have been provided to him.

I've carefully considered what the parties have said.

Did Moneyboat act fairly and reasonably when lending to Mr C?

It's fair to say that this isn't a case where the lender simply relied on information provided by a borrower at face value. The information Moneyboat has provided suggests that Mr C was asked to provide details of his income, was asked questions about his expenditure and that credit checks were carried out before both of these loans were provided.

It's also fair to say that the information in Moneyboat's credit searches also suggested that Mr C's circumstances were relatively stable. Mr C didn't have any recent defaulted accounts and the amount he owed elsewhere wasn't excessive in comparison to his declared income either. In these circumstances, I don't think that there was any obvious reason for Moneyboat to have doubted the accuracy of the information that Mr C had provided.

In reaching my conclusions, I've noted what Mr C has said about him declaring a lower income. I can't say for sure what Mr C declared to Moneyboat at the time. However, I've seen what has been presented as an output of the information recorded at the time of Mr C's applications.

This shows that Mr C declared receiving around £2,700.00 a month and that Moneyboat cross checked this against information it obtained from credit reference agencies regarding the funds going into Mr C's main account each month. The output also suggests that the amount declared was validated by these checks too. As this is the case, it's difficult for me to reasonably conclude that Moneyboat wasn't entitled to rely on the information it had.

Bearing in mind the amount of the repayments for these loans, the questions Mr C was asked and this was at the beginning of Mr C's lending relationship with Moneyboat, I don't think it was unreasonable for Moneyboat to rely on the information Mr C had provided in deciding whether to advance these loans. And as the information gathered suggests that these loans were affordable for Mr C, I'm satisfied that it was fair and reasonable for Moneyboat to provide these loans to Mr C.

Did Moneyboat lend to Mr C in circumstances where it ought reasonably to have realised that doing so was unsustainable or otherwise harmful for him?

In reaching my conclusions, I've also kept in mind that Moneyboat provided two loans to Mr C and in some circumstances repeat borrowing in itself can sometimes be an indication of a customer borrowing in a way that is unsustainable. However, I think that there are a number of reasons why Mr C's pattern of borrowing doesn't in itself appear problematic here.

Firstly, loan 1 was settled in full after 17 days. Furthermore, there was then a significant break of around 5 months between loan 1 being repaid and loan 2 being provided. I also think that it's also worth noting that at the time of loan 2 Mr C was only ever expected to be

indebted to Moneyboat for a total period of less than 6 months (17 days for loan 1 and 5 months for loan 2).

Bearing in mind it's typical for individual high-cost short-term credit loans to be provided over terms equivalent to the entire period Mr C was due to be indebted to Moneyboat for, I don't think that Moneyboat ought to have realised that Mr C was using these loans in a way that was unsustainable.

So while Mr C being a repeat borrower here has led to me taking a closer look at the overall pattern of lending, I'm satisfied that it wasn't unfair for Moneyboat to have provided these loans to Mr C on the basis that it ought to have realised that it was increasing Mr C's indebtedness in a way that way unsustainable or otherwise harmful.

Section 140 of the Consumer Credit Act 1974

Finally, I've also considered whether the lending relationship between Moneyboat and Mr C might have been unfair to Mr C under s140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I'm not persuaded that Moneyboat irresponsibly lent or treated Mr C unfairly bearing in mind all of the circumstances. And I haven't seen anything to suggest that s140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Overall, and based on the available evidence, I've not been persuaded that Moneyboat acted unfairly when providing Mr C with these loans. So I'm not upholding this complaint. I appreciate that this will be very disappointing for Mr C. But I hope he'll understand the reasons for my decision and that he'll at least feel that his concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 September 2025.

Jeshen Narayanan
Ombudsman