

The complaint

Mr Y, through his representative, complains that Evergreen Finance London Limited, trading as MoneyBoat.co.uk ("MoneyBoat"), lent to him irresponsibly.

What happened

The table is a summary of the loans Mr Y took. I have included the breaks in the lending. One gap was long and the other gap was almost five months.

Loan	Approved	Amount and term	Repay amount (rounded)	Repaid
1	6 January 2020	£200 176 days	6 x £60	31 July 2020
Significant gap in lending				
2	3 October 2021	£200 58 days	2 x £130	26 November 2021
3	28 November 2021	£200 123 days	4 x £80	30 March 2022
4	17 April 2022	£350 165 days	6 x £97	28 April 2022
5	5 May 2022	£300 180 days	6 x £91	1 November 2022
6	4 November 2022	£300 175 days	6 x £91	18 November 2022
Almost five months gap in lending				
7	3 April 2023	£250 120 days	4 x £97	27 July 2023
8	28 July 2023	£200 126 days	4 x £81	31 October 2023
9	21 November 2023	£200 38 days	2 x £117	24 November 2023

Mr Y's complaint was raised 7 February 2024. MoneyBoat responded in April 2024 and gave reasons why it did not think the complaint should be upheld. Mr Y referred his complaint to the Financial Ombudsman Service and one of our investigators considered that Mr Y had become reliant on the lending and so thought that MoneyBoat should put things right for Mr Y from loan 7 onwards.

Mr Y did not reply to our investigator's view and so it seems that he has no issue with the outcome and therefore I am proceeding on the basis that he accepts the non-uphold outcome for loans 1 to 6.

MoneyBoat disagreed with our investigator's outcome and made submissions as to why – all of which I have read. So, the disputed loans were loans 7 to 9 and those were the ones I reviewed. On 8 April 2025 I issued a provisional decision (duplicated below) giving reasons why I disagreed with our investigator's outcome and why I considered that MoneyBoat did not need to do anything to put things right for Mr Y.

What I provisionally decided on 8 April 2025 – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. We've set out our general approach to complaints about unaffordable/irresponsible lending - including all the relevant rules, guidance, and good industry practice - on our website.

MoneyBoat had to assess the lending to check if Mr Y could afford to pay back the amounts he'd borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. MoneyBoat's checks could've considered several different things, such as how much was being lent, the size of the repayments, and Mr Y's income and expenditure. I think in the early stages of a lending relationship, less thorough checks might have been proportionate. But certain factors might suggest MoneyBoat should have done more to establish that any lending was sustainable for Mr Y.

These factors include:

- having a low income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);
- the amounts to be repaid being especially high (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- having a large number of loans and/or having these loans over a long period (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable);
- coming back for loans shortly after previous borrowing had been repaid (also suggestive of the borrowing becoming unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Mr Y. Our investigator thought that was the case from loan 7 but I disagree. I do not consider that MoneyBoat would have thought, or would be expected to think, that Mr Y was reliant on loans such that it ought to have paused lending to him or refused loan 7 when there had been a five month gap during which Mr Y owed nothing to it.

MoneyBoat was required to establish whether Mr Y could *sustainably* repay the loans – not just whether he technically had enough money to make the repayments. Having enough money to make the repayments could of course be an indicator that Mr Y was able to repay his loans sustainably. But it doesn't automatically follow that this is the case.

I have reviewed all the information surrounding the disputed loans – namely loans 7 to 9. As I have said earlier, I disagree with our investigator – I do not accept that the 'repeat lending' criteria apply here as the five months when Mr Y had no outstanding loans with MoneyBoat and owed it nothing does not lead me to be persuaded that MoneyBoat ought to have realised he was reliant on credit.

So, reviewing the information MoneyBoat had about Mr Y – including a credit report it had obtained in April 2023 (loan 7) – then I do not consider that MoneyBoat lent irresponsibly.

Mr Y had told MoneyBoat that he lived at home with his parents, he had informed it that he earned around £1,400 after tax each month and he declared his outgoings (both household and credit related, transport and food) as £700. MoneyBoat used data to increase that to £850 which meant that Mr Y would have been left with around £550 to use to repay loan 7.

MoneyBoat used credit reference agency information to verify his income and to see what his debt situation was like. A copy of the credit report it used in April 2023 has been sent to me. In April 2023, Mr Y's overall debt was £5,277 which I don't think is a high figure, given what I know about his income and expenditure. Part of this figure related to loans and the amount owed in total was £542. Also, Mr Y had £805 on his revolving credit (means credit cards and similar accounts) with a limit of £1,500. So, he was utilising 53% of his revolving credit available to him. Mr Y had a current account with a £1,000 overdraft of which £391 had been used. He owed around £1,500 on mail order accounts.

The credit report does indicate that Mr Y had got two defaults within the last 36 months but none within the previous 12 months to that loan 7 application. There were no insolvencies or judgment debts. These figures would not have alerted MoneyBoat to Mr Y having financial concerns of a sufficiently serious degree to warrant further checks. I consider MoneyBoat carried out proportionate checks and I plan not to uphold the complaint about loan 7.

As loans 8 and 9 were taken out soon after loan 7, and were for smaller amounts, and having reviewed the summary information MoneyBoat has sent to us which it had about his financial situation for loans 8 and 9, then I do not consider that loans 7, 8 or 9 were lent irresponsibly. I plan not to uphold 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.

MoneyBoat has accepted the outcome in my provisional decision. Mr Y has not sent to me any further submissions or evidence to challenge the outcome. So, in the absence of anything to lead me to be persuaded to alter my findings then the outcome remains the same. For the same reasoning set out earlier in this decision, I do not uphold the complaint.

I've also considered whether MoneyBoat acted unfairly or unreasonably in any other way and I have considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think it lent irresponsibly to Mr Y or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here

My final decision

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 22 May 2025.

Rachael Williams
Ombudsman