

## The complaint

Mr K complains that Evergreen Finance London Limited trading as MoneyBoat.co.uk ("MoneyBoat") was irresponsible to lend to him on three occasions.

## What happened

MoneyBoat agreed three loans for Mr K from September 2020 to June 2024. I've summarised some of the information it provided about these loans in the table below.

Loan	Date funded	Settled	Amount	Total owed	Monthly Repayment	Term (months)
1	24/09/2020	31/12/2020	£400	£601.70	£200.57	3
2	19/12/2023	09/04/2024	£1,000	£1,651.28	£275.23	6
3	09/06/2024	09/07/2024	£800	£1,491.06	£248.54	6

Mr K repaid his second and third loans early.

In July 2024 Mr K complained to MoneyBoat about his loans. Mr K said that he was having difficulties with his finances when the loans were agreed, and he had become trapped in a spiral of using short term loans to repay his other borrowing. He said that MoneyBoat should have seen this and not agreed further lending for him.

MoneyBoat didn't uphold Mr K's complaint. It said that the loans it provided were affordable and its decision to lend was responsible based on its robust creditworthiness assessment.

Mr K referred his complaint to us. One of our investigators looked into things and found that the checks MoneyBoat carried out for each of Mr K's applications were reasonable and proportionate. However, they also found that MoneyBoat should have seen from its checks for Mr K's third loan that he was having difficulty with his finances and so should not have offered him more credit. They recommended that Mr K's complaint about his third loan be upheld.

MoneyBoat didn't agree with this recommendation and the complaint was passed to me for a decision. I sent out a provisional decision on 1 May 2025 explaining why I planned to uphold Mr K's complaint about his second and third loans. I shared the information I'd relied on and allowed time for information or comments. I haven't received anything else from either 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.

Having reviewed everything again, and having no new information or comments from either party, I see no reason to depart from my provisional conclusions. I'll set out again my reasons for partly upholding Mr K's complaint again in this final decision.

As before, when making my decision I've had regard to the regulator's rules and guidance on responsible lending (set out in its consumer credit handbook – CONC) which lenders, such as MoneyBoat, need to abide by. MoneyBoat will be aware of these, and our approach to this type of lending is set out on our website, so I won't refer to the regulations in detail here but will summarise and refer to them where appropriate.

Before entering into each credit agreement, MoneyBoat needed to check that Mr K could afford to meet his repayments as they fell due over the lifetime of the agreement, without having to borrow, without failing to make any other payment he had a contractual or statutory obligation to make and without the repayments having a significant impact on his financial situation.

The checks carried out needed to be proportionate to the nature of the credit (the amount borrowed or the term, for example) and to Mr K's particular circumstances, and MoneyBoat needed to have proper regard to the outcome of its assessment in respect of affordability risk.

The overarching requirement was that MoneyBoat needed to pay due regard to Mr K's interests and treat him fairly. CONC 2.2.2G gave an example of contravening this as 'targeting customers with regulated credit agreements which are unsuitable for them by virtue of their indebtedness, poor credit history, age, health, disability or any other reason.'

With this in mind, my main considerations are did MoneyBoat complete reasonable and proportionate checks when assessing Mr K's applications to satisfy itself that he would be able to make his repayments without experiencing adverse consequences? If not, what would reasonable and proportionate checks have shown? Was there anything of concern in the checks MoneyBoat did carry out and did it make fair lending decisions? Did MoneyBoat treat Mr K unfairly or unreasonably in any other way, including whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974?

MoneyBoat provided the information it relied when making its lending decisions, which included the detail of Mr K's applications and copies of his credit file reports.

Mr K provided his bank statements from around the time of each agreement, and told us about his circumstances.

#### Loan 1 agreed in September 2020

When Mr K applied for his first loan he said his income was £3,965 and his expenses, including his rent, living costs and existing credit commitments came to £2,393. MoneyBoat estimated that Mr K would have over £1,500 a month spare to meet his loan repayment of £201 and any other costs.

I'm not sure how MoneyBoat verified Mr K's income. However, Mr K's bank statements show that his income was around the figure that it relied on, and so any verification would have provided reassurance to MoneyBoat that he was earning at least what he'd declared.

Mr K's credit file showed that he had existing debt of £3,000 altogether, aside from his mortgage. There were some adverse markers on his credit file, all of which were over two years old and I don't think these would, or should, have caused concern.

Altogether, I think the checks MoneyBoat carried out on this occasion were reasonable and proportionate. I've concluded that MoneyBoat didn't treat Mr K unfairly or lend irresponsibly on this occasion, considering the information on his credit file and bearing in mind the amount of the loan and that it was his first with this lender.

### Loan 2 agreed in December 2023

Mr K's gave his income as £4,968 and his expenses as £3,299 when he applied for his second loan. MoneyBoat estimated that Mr K would have over £1,500 a month spare to meet his loan repayment of £275 and any other costs. As before, Mr K's bank statements from the time show he was earning at least the level of income he'd declared.

Three years had passed since Mr K repaid his first loan, and it seems his spending had greatly increased.

Mr K's credit file showed that he now had debts of £52,000, including a hire purchase agreement with a balance of £21,000 taken out a few months before. The remaining £31,000 was unsecured borrowing, £18,000 of which was owed across four loans taken out in the last eight months.

There were adverse markers on Mr K's credit file within the last 12 months: he'd missed payments on two credit card accounts, had settled a loan which had been in an arrangement to pay, and had taken out and repaid at least five short terms loans. A large loan with a balance of £11,645 was shown as being in an arrangement to pay for the previous two months, and Mr K's overdraft balance had risen to £2,983 out of a credit limit of £3,000.

So while the loan repayments seemed affordable based on the information Mr K had provided, his credit file showed he had significant borrowing, most of it very recent. I can't say that MoneyBoat had proper regard to the outcome of this assessment in respect of affordability risk because it should have seen that Mr K was reliant on credit to meet his expenses, was having difficulty meeting his existing commitments and that it wasn't likely he'd be able to meet his repayments for this loan without borrowing again.

As I set out above, MoneyBoat had an obligation to Mr K to check that he could afford to repay this second loan without borrowing to do so and without it having an adverse impact on his financial situation, not simply that he could make the repayments. I've concluded that MoneyBoat made an irresponsible and unfair lending decision on this occasion.

MoneyBoat reported a missed payment on this loan the month before it was settled, as shown on Mr K's credit file from June 2024. The June report also shows that Mr K had taken out a consolidation loan of over £10,000 a few days before repaying MoneyBoat's loan on 9 April. MoneyBoat said that the early repayment of the loan showed that it was affordable, but I don't think it can reasonably draw that conclusion here.

### Loan 3 agreed in June 2024

Two months after repaying his second loan, Mr K applied for a third.

Mr K's credit file showed that his debt had reduced slightly to £46,861 however, it also showed that he was still struggling with his repayments. The large loan mentioned above with an arrangement to pay had been reported as delinquent before being settled in May 2024. Another loan with a balance of £9,314 was now shown as being two months into an arrangement to pay with repayments of £50 (reduced from £302), so too was a smaller loan with a balance of £254. There was a missed payment in May on another loan with a balance of £2,136 and Mr K's overdraft balance hadn't changed.

Mr K repaid this loan within a month. He told us that he did so with borrowed money, and from everything I've seen I think this is the most likely explanation.

For the same reasons as before, I've concluded that MoneyBoat made an irresponsible and unfair lending decision on this occasion.

### In summary

I've found that MoneyBoat wasn't irresponsible to have agreed Mr K's initial loan but it shouldn't have entered into the later two credit agreements. I think Mr K lost out by paying interest on these loans and having adverse information recorded on his credit file.

I did also consider whether MoneyBoat treated Mr K unfairly or unreasonably in any other way, including whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. I'm satisfied the redress I have directed below results in fair compensation for Mr K in the circumstances of this complaint and that no additional award would be appropriate in this case.

### **Putting things right**

I've concluded that MoneyBoat was irresponsible to have agreed loans for Mr K in December 2023 and June 2024. I think it's fair that Mr K repays the capital he borrowed as he's had the use of this but shouldn't have to pay any interest, fees or charges associated with the loans.

In summary, MoneyBoat should:

- Cap the amount Mr K needs to repay at the total capital he borrowed for these two loans, and consider all payments he made as payments towards this capital amount; and
- Refund the overpayments to Mr K, along with 8% simple interest per annum\* added to these overpayments from the date they were paid to the date this complaint is settled; and
- Remove any adverse information about these loans from Mr K's credit file.

\*\* HM Revenue & Customs requires MoneyBoat to take off tax from this interest. MoneyBoat must give Mr K a certificate showing how much tax it's taken off if he asks for one.

### **My final decision**

For the reasons I've explained above, I am partly upholding Mr K's complaint about Evergreen Finance London Limited trading as MoneyBoat.co.uk and it now needs to put things right as I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 8 June 2025.

Michelle Boundy  
**Ombudsman**