DRN-5583226

The complaint

Mr B complains that Evergreen Finance London Limited, trading as MoneyBoat.co.uk, lent to him irresponsibly.

What happened

In December 2024, Mr B borrowed £800 from MoneyBoat. The loan was short-term, over six months, with five monthly repayments of £255.56, and then one final repayment of £255.44. Very shortly after taking the loan, in January 2025, Mr B complained to MoneyBoat. In summary, he said that he thought it hadn't carried out appropriate checks to determine whether the loan he'd requested was affordable for him. In response, MoneyBoat defended its decision to provide Mr B the loan; it said it had carried out suitable checks in the circumstances.

Mr B contacted this Service for an independent review, and an Investigator here looked at what had happened. Having done so, the Investigator didn't think Mr B's complaint should be upheld. In summary, the Investigator said:

- Overall, in the circumstances, MoneyBoat had carried out proportionate checks before agreeing to lend.
- Those checks hadn't revealed anything which suggested the loan was, or would be, unaffordable for Mr B.
- As such, given the results of its proportionate checks, MoneyBoat didn't need to verify Mr B's financial position.
- So, nothing would've shown MoneyBoat that Mr B might have been experiencing underlying financial difficulties.

Mr B disagreed, and he asked for an Ombudsman's decision. He said that his true position was different to what he declared at the time of application; if MoneyBoat had done further checks, this would've been revealed.

Our Investigator reconsidered in light of Mr B's comments, but didn't change their mind. While acknowledging that Mr B's actual position was different to what he told MoneyBoat at application, the Investigator explained again how MoneyBoat didn't need to verify Mr B's financial position in these circumstances. Rather, MoneyBoat was entitled to rely upon what Mr B had said and the results of the checks that it carried out.

No agreement has been reached, and the complaint has now been passed to me to decide.

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.

In short, when making a lending decision, MoneyBoat needed to make sure that it didn't provide loans 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; it had to do so taking into account Mr B's specific circumstances, before providing any credit.

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.

That said, we might think a lender needed to do more if, for example, a borrower's income was low or the amount lent was high. Additionally, 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.

Here, MoneyBoat provided Mr B with a single loan. It says it asked Mr B for details of his income and expenditure; it carried out a credit check too, and MoneyBoat says that all of the information it received as a result of those checks indicated the loan was affordable for Mr B. I've looked at what information MoneyBoat gathered; I can see Mr B declared a monthly income of £3,500, and that his monthly expenditure was around £850 – a figure MoneyBoat increased slightly when assessing Mr B's circumstances. The results of MoneyBoat's credit check revealed no recent defaults or County Court Judgements, although it did show that Mr B had had missed some repayments elsewhere in the 24 months prior to application.

Overall, on balance, keeping in mind that this was a new lending relationship – with a reasonably modest amount being provided – I think MoneyBoat gathered enough information about Mr B's circumstances. It didn't simply rely solely on what Mr B told it; MoneyBoat sought to look a little deeper, via a credit check, and it didn't find anything which gave cause for concern. Rather, the loan appeared affordable for Mr B and, overall, I'm satisfied MoneyBoat carried out proportionate checks before agreeing to lend.

While I know Mr B says his genuine position was worse than what he'd told MoneyBoat, I don't think it needed to carry out further checks here – put simply, in these circumstances, MoneyBoat didn't need to verify Mr B's financial position; it was instead entitled to rely upon the checks it carried out. I'll add too that while the credit check did indicate some previous repayment difficulties, that alone doesn't automatically, or categorically, preclude an individual from obtaining credit. So, in conclusion, based on the information gained via the proportionate checks it carried out, I can't fairly say that MoneyBoat was wrong to approve the loan it provided Mr B.

To be clear, I'm not saying that Mr B wasn't – or isn't now – under some level of financial pressure; it's just that here, in these circumstances, MoneyBoat didn't need to complete the level of checks required to discover that. Instead, I find that the level of checks it did carry out were proportionate to the amount being lent, the lending relationship, and the results of those checks. My view is that in the context of everything MoneyBoat discovered, nothing gave it cause for concern or suggested that it should've been prompted to further verify Mr B's wider financial situation.

As with any complaint, the key point to remember here is that it's only fair and reasonable for me to uphold a complaint in circumstances where I can conclude a business did something wrong. Here, for the reasons I've explained, I don't think that MoneyBoat could have known that the payments for this loan were – or would become – unaffordable at the time of lending. So, for the reasons I've already given, I don't think MoneyBoat lent irresponsibly to Mr B or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I don’t uphold Mr B’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 5 August 2025.

Simon Louth
Ombudsman