

The complaint

Miss H complains that Evergreen Finance London Limited, trading as MoneyBoat.co.uk, lent to her irresponsibly. She's also unhappy with its administration of her loan.

What happened

In July 2024, Miss H was approved for a £500 loan from MoneyBoat; the money was to be repaid in three instalments.

A short while later, in November 2024, Miss H complained to MoneyBoat. She said, in summary, that the credit had been provided irresponsibly. Miss H also raised concerns about MoneyBoat having taken an incorrect amount, and its general administration of her loan. In response, MoneyBoat decided to partially uphold Ms H's complaint; it didn't agree that the loan had been irresponsibly provided, citing that it was confident reasonable and proportionate checks had been carried out before agreeing to lend, but it did accept that some administration errors had occurred. MoneyBoat offered to compensate Miss H £50 for the distress and inconvenience caused, and it said it would refund the difference between her instalment amount and the incorrect amount it had taken – which was £84.

Miss H referred her complaint to this Service, and an Investigator here looked at what had happened. Having done so, they didn't think MoneyBoat had lent to Ms H irresponsibly. They said that reasonable and proportionate checks had indeed been undertaken before lending and, moreover, the results of those checks hadn't highlighted any significant cause for concern which would cause MoneyBoat to decide not to lend.

That said, the Investigator felt it was clear that MoneyBoat had made some administrative errors, and they didn't think MoneyBoat had done enough to put things right in that regard. So, they said that MoneyBoat should increase its compensation offer to £150 and refund the £84 overpayment Miss H had made; moreover, MoneyBoat should amend Miss H's credit file accordingly, reflecting the point when her account had been in an arrangement to pay, and that it should remove any interest unfairly applied as a result of its error.

Following that, our Investigator clarified that the £84 overpayment shouldn't, in fact, be returned to Miss H; if it was, it would put her in a worse position. Our Investigator also set out that the £150 compensation payment shouldn't be applied to Miss H's outstanding balance, unless she agreed for it to be.

MoneyBoat agreed with our Investigator's findings, but Miss H requested an Ombudsman's decision. So, as no agreement has been reached, the complaint has 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.

I'll say first that I know just how strongly Miss H feels about what's happened here – and I'm truly sorry to read of the impact to her. I do hope things have improved.

At the outset, it's also important for me to explain I haven't commented on each and every statement Miss H has made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my approach, it's simply to align with that purpose. For ease, I've addressed Miss H's complaint points individually.

Was Miss H's loan irresponsibly provided?

Fundamentally, MoneyBoat needed to make sure that it didn't lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether Miss H could make her payments in a sustainable manner before agreeing to lend. If the checks MoneyBoat carried out *weren't* sufficient, then I'll need to consider what reasonable and proportionate checks are likely to have shown.

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 it needed to do more if, for example, a borrower's income was low; or if the information the lender had – such as a significantly impaired credit history – suggested it needed to know more about a prospective borrower's ability to repay.

Here, MoneyBoat has told us that it used Credit Reference Agency ("CRA") data to build a view of Miss H's existing credit commitments and how she was managing them; it used her declarations to determine her day-to-day expenses and her income, and it applied a buffer to Miss H's expenses too so as to further test affordability. From what I've seen, the results of those checks painted a broadly stable picture of Miss H's finances at the time. Recorded CRA data suggested Miss H was managing her existing commitments; her declared income against her declared – and adjusted – outgoings showed she'd have enough disposable income to meet the repayments, and no County Court Judgments or Individual Voluntary Arrangements were recorded either.

There were certainly some adverse indicators too, like a default for another commitment – but from what I've seen that default was historic and incurred years before the lending decision here; so, I don't think it would've given MoneyBoat much concern. Alongside that, MoneyBoat's checks did indicate that Miss H was in arrangements for two other commitments. There's argument to say that ought to have prompted MoneyBoat to apply further scrutiny, and I understand that perspective, but in the round, I'm not persuaded it needed to. That's largely because those arrangements appeared to be running fairly reasonably, and the results of all other checks carried out by MoneyBoat gave no significant cause for concern. Overall then, considering the modest amount being lent, and looking at everything holistically, I don't consider there to have been reason enough for MoneyBoat to decide not to lend.

It's unlikely, in my view, that MoneyBoat could have categorically known – or ought to 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 can't fairly conclude that MoneyBoat acted irresponsibly or otherwise treated Miss H unfairly in relation to this matter; it follows that I don't uphold the complaint. 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.

MoneyBoat's administration of Miss H's loan

I don't consider it necessary to set out at length whether or not MoneyBoat made a mistake in its administration; all parties agree it did and, for completeness, I do too. It's clear that MoneyBoat took the wrong amount from Miss H, and that it caused distress and inconvenience in doing so.

In terms of the impact of that mistake, as I said at the outset, there's no doubt Miss H was affected; she's spoken of the stress and anxiety caused to her, and I know Miss H says MoneyBoat's error impacted her ability to pay other priority bills. So, I surely think that some compensation is due here, and I agree with our Investigator that it should be more than MoneyBoat initially offered.

As I understand it, Miss H didn't incur any fees or charges from any other parties because of MoneyBoat's error. So, I don't require MoneyBoat to reimburse anything in that regard. Although, I did note that Miss H has shown that a utility supplier recorded a missed payment on her credit file at that time.

From what I've seen, it appears Miss H cancelled her direct debit to that supplier and then her payment was subsequently missed. It's unclear if she did so having spoken with the supplier, and whether she did so *solely* because of a lack of available funds caused by Moneyboat's error; so, I can't say with any degree of certainty that cancelling her direct debit was a step she *had* to take or if, understandably, she just considered it her only option at the time. It's entirely possible that a conversation with the supplier could've resulted in a short-term measure to prevent her credit file being impacted; but just as equally, it may not.

Nonetheless, I'll set out here that Miss H does have the option of asking to register a "notice of correction" with the CRAs. In essence, that's a short explanatory note that Miss H can ask to add to an entry on her credit file which explains the background to that entry. Any firm who searches her credit report should then see the notice, and prospective lenders can then take it into account when making any decision regarding Miss H's finances.

In any event, there's no question that MoneyBoat's error caused distress and inconvenience. Considering all the circumstances, I think £150 – which MoneyBoat has now agreed to pay – is a fair and reasonable amount to recognise the impact of its error. I also think it right for MoneyBoat to amend its reporting on Miss H's credit file, as it's agreed to do, to reflect her account as being in an arrangement in August 2024; that would be an accurate description of the state of Miss H's loan at the time. MoneyBoat should also ensure Miss H hasn't been erroneously charged interest as a result of its poor administration here.

As our Investigator has explained though, unless MoneyBoat has already done so of its own volition, I don't think it now needs to return the £84 overpayment it took from Miss H. Doing so would put her in a worse position, given she'd have to repay that amount to MoneyBoat in any event.

In summary then, MoneyBoat should:

- Pay Miss H £150 compensation for the distress and inconvenience it caused.
- Amend its credit file reporting appropriately.
- Ensure Miss H hasn't been charged interest incorrectly.

My final decision

My final decision is that I uphold Miss H's complaint in part. Evergreen Finance London Limited, trading as MoneyBoat.co.uk, should put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 27 February 2026.

Simon Louth
Ombudsman