

## **The complaint**

Mr H complains that Evergreen Finance London Limited trading as Moneyboat.co.uk (Moneyboat) didn't sufficiently check he could afford to sustain repayments for a loan he'd with them.

## **What happened**

In May 2024 Mr H entered into a Fixed Sum loan agreement with Moneyboat for £500. The loan was to be repaid in six monthly instalments of £153.63. After interest and charges were applied Mr H needed to repay in total £921.59. Mr H said he struggled to sustain the repayments as he was already heavily indebted and was borrowing to pay other borrowing. He complained to Moneyboat as he said they should have checked his financial situation properly before they agreed to lend to him. If they had they would have seen he wouldn't be able to sustain the repayments.

Moneyboat said they used Mr H's application and credit reference agency (CRA) data to verify his income and to check his credit history. These checks confirmed his income and showed he was managing his credit commitments well. Moneyboat said they didn't see any signs of financial vulnerability. And based on these checks they said their lending decision was fair.

Mr H wasn't happy with Moneyboat's response and referred his complaint to us.

Our investigator said for the lending being provided the checks Moneyboat did were reasonable and proportionate. And based on what they found their lending decision was fair.

Mr H didn't agree he said if Moneyboat had checked they would have seen he'd missed payments and had high levels of borrowing. He asked for his complaint to be referred to an ombudsman 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 appreciate my decision will disappoint Mr H but having done so I'm not upholding his complaint. I'll explain why.

We've set out our general approach to complaints about short-term lending - including the key relevant rules, guidance and good industry practice - on our website. I've referred to this when considering Mr H's case.

Moneyboat needed to make sure they didn't lend irresponsibly. This means they need to carry out proportionate checks to be able to understand whether Mr H could afford to make the repayments he was committing to before providing this loan.

Our website sets out what we typically think about when deciding whether a lender's checks are proportionate. There isn't a prescribed list of checks a lender should make. But the kind

of things I expect lenders to consider include - but are not limited to the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. And we might think they needed to do more if, for example, a borrower's income was low, or the amount lent was high. Also, the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty.

Moneyboat provided Mr H with a loan of £500 which was due to be repaid in six monthly instalments. They said they used application and CRA data to assess whether the lending was affordable for Mr H.

Mr H declared a monthly income of £2,830. He said his outgoings comprised of loan/credit cards £225, food £25, transport £75, utilities £100, a total of £425. And Moneyboat said they cross checked this with the information held by the CRA.

The CRA data confirmed Mr H's income but from the data Moneyboat considered Mr H to have credit commitments of £907.50. And it was this higher figure they used in their assessment. Moneyboat said their CRA check also showed Mr H didn't have any county court judgments or defaults. And there wasn't any evidence he was using any high-cost short term credit.

Mr H said he didn't pay any rent as he was living in a property belonging to his parents. So, from this Moneyboat assessed Mr H to have a disposable income of £1,922.50 before the new lending was factored in.

Mr H says the information Moneyboat based their decision on didn't accurately reflect his actual financial position as he was significantly indebted and borrowing to pay other borrowing.

Mr H has provided his own credit history. And I can see from this that he'd several credit cards and a couple of loans. He'd debts of around £19,000. I can see that he had arrears for one month registered for an account in April 2024. And for another in February 2024. Neither account fell further into arrears. The remainder of Mr H's accounts were being managed well showing he was up to date with his repayments. Given the marketplace that Moneyboat provides money in, I don't think this information on its own would have prompted further checks, considering the relatively modest sum borrowed. And that a consumer having some less than perfect information on their credit file wouldn't be a barrier to them being provided with the type of credit being provided by Moneyboat.

I can see Moneyboat didn't rely solely on the information declared by Mr H on his application as they'd checked his income through a CRA. And the credit commitments they used in their assessment were reflective of the debt Mr H had rather than the lower amount he'd declared in his application.

For this loan I've not seen enough to make me think Moneyboat needed to go further with their checks – such as asking for bank statements or other information to verify Mr H's income and expenditure as I think that would have been disproportionate for the amount Mr H was borrowing.

Using Mr H's income and the CRA data in their assessment showed to Moneyboat that Mr H should have had sufficient disposable income to sustain the repayments for this new lending. As he should have been left with around £1,750 after the new lending was factored in for other living costs and discretionary spending.

I'm sorry to hear that Mr H had difficulty repaying this loan, I can see that the loan has since

been settled. But I'm satisfied the checks Moneyboat did were reasonable and proportionate for the type and amount Mr H was borrowing. And I think Moneyboat was reasonably entitled to rely on the information they'd been provided with, so their decision to lend wasn't unreasonable in this case.

I've also considered whether Moneyboat acted unfairly or unreasonably in some other way given what Mr H has complained about, including whether their relationship with him might have been viewed as unfair by a court under Section 140A Consumer Credit Act 1974. But for the reasons I've already given, I don't think Moneyboat lent irresponsibly to Mr H or otherwise treated him unfairly. I haven't seen anything to suggest that s140A or anything else, would given the facts of this complaint lead to a different outcome here.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 July 2025.

Anne Scarr  
**Ombudsman**