

The complaint

Mr H complains that Evergreen Finance London Limited trading as MoneyBoat.co.uk (“MoneyBoat”) irresponsibly provided him with a loan.

What happened

MoneyBoat provided Mr H with an instalment loan for £200, with a total amount repayable of £366.71 in January 2025. The loan was repayable over six instalments of around £61.

Mr H complained to MoneyBoat and he has set out his complaint to our service. In summary, he said:

- Proper affordability checks were not carried out.
- He was suffering from a hyper manic episode caused by bipolar disorder, which impaired his ability to make rational financial decisions. He said MoneyBoat didn’t take into account his mental condition and didn’t spot clear signs of financial distress.
- He’d taken out multiple payday loans and credit agreements, plus multiple buy-now-pay-later (“BNPL”) agreements. And he’d recently taken out a large unsecured loan.
- He continued to receive a Notice of Sums in Arrears (“NOSIA”) from MoneyBoat, despite raising his complaint. This caused him severe anxiety and worsened his mental health. Mr H says this breached FCA rules requiring lenders to suspend collection activity during an open irresponsible lending complaint.
- The situation has impacted him, causing him significant harm both financially and personally.

In its final response, MoneyBoat didn’t uphold Mr H’s complaint. In summary, it said the lending was responsible based on the affordability checks carried out. It also said it’s required to send the NOSIA document given he was in arrears. However, MoneyBoat said it hadn’t taken any additional recovery action. Unhappy with MoneyBoat’s response, Mr H referred his complaint to our service.

Our Investigator didn’t uphold the complaint. In summary, they said the checks MoneyBoat carried out were proportionate and the lending fair. They also said they didn’t think MoneyBoat acted unfairly in any other way.

Mr H didn’t agree and in summary, said the multiple short-term loans he took out over a short period ought to have prompted deeper affordability checks, and although he didn’t disclose his mental health condition at the time of lending, this pattern of borrowing should have raised questions for MoneyBoat.

Because the parties couldn’t agree, the matter has been passed to me for a decision.

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 carefully considered everything provided, I'm not upholding Mr H's complaint. I appreciate this will come as a disappointment to him.

We explain how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mr H's complaint.

Mr H was provided with a high-interest loan, intended for short-term use. MoneyBoat needed to make sure it didn't lend irresponsibly. This means it needed to carry out proportionate checks to understand whether Mr H could afford to sustainably repay before providing the loan.

Generally, it might be reasonable and proportionate for a lender's checks to be less thorough (in terms of how much information it gathers and what it does to verify it) in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low or the amount lent was high. And 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 it didn't continue to lend to its customer irresponsibly.

I want to start by thanking Mr H for the information he's shared about his personal circumstances, including his mental health condition. I've considered this carefully when reviewing his complaint.

Before lending, MoneyBoat asked Mr H about his income - which he declared to be £2,650 per month - and his essential living expenses and credit commitments - which he declared to be £1,110 per month. I can see MoneyBoat increased the figure Mr H declared for his living expenses by £753. This resulted in an estimated disposable income of £787. I think MoneyBoat's calculations are reasonable in the context of the amount it was lending and the monthly repayments required. In particular, given it asked Mr H about his income and outgoings and exercised caution by increasing his expenses. So, I don't think it was unreasonable for MoneyBoat to rely on the disposable income figure it calculated, and this suggests the lending was likely affordable.

The credit check MoneyBoat carried out revealed Mr H had a balance of £12,902 on loans/instalment credit, and £3,045 revolving credit balances of which he was using around 67% of his limits. Whilst I can see Mr H had been making use of short-term credit and BNPL agreements, crucially, his repayment record was generally very good. He'd missed one payment in the past 36 months, and I can see he'd exceeded his limit slightly on two of his credit cards but had brought at least one of them up to date before this lending (the information for the latest month isn't available for the other card). But he had no recorded bankruptcy, insolvency or County Court Judgments ("CCJs") and no defaults in the past 36 months - and no other adverse information showing. There were also lots of examples on his credit report of taking out credit and settling it without any payment problems. I think this demonstrates he'd been managing his existing credit well and didn't appear to be overly indebted.

I appreciate Mr H makes reference to his "rapid borrowing history" and feels this should have prompted further assessment. But given it appears this was the only loan MoneyBoat provided, I don't think there was any established pattern in Mr H's borrowing needs, at least from MoneyBoat, at this stage. Whilst I can see Mr H had previously taken out short-term loans with other lenders, at the time of this lending, according to MoneyBoat's credit check, Mr H didn't appear to be overly reliant on short-term lending. Given much of his existing credit balances appeared to be from longer-term personal loans and credit cards.

I can see the recent loan for £5,000 Mr H had taken out prior to this lending did appear on the credit check MoneyBoat carried out and therefore it would have been considered as part of its affordability calculations. And as I've said, I think its checks suggested this lending was affordable. So, I don't think the fact Mr H took out a loan shortly before this lending, in the context of everything else I've seen, means MoneyBoat shouldn't have lent to him.

Considering what MoneyBoat's checks showed, I don't think it knew or could have known that Mr H was having a hypermanic episode at this time. I appreciate the reality of Mr H's situation was very different. And I'm sorry to hear that Mr H took this loan out whilst he was having mental health problems. Lenders, under the relevant Consumer Credit sourcebook (CONC) rules, are entitled to assume a borrower has mental capacity unless it knows or has reason to suspect otherwise. Mr H says himself that he didn't disclose this at the time. And based on what I've seen, and in all the circumstances of this case, I don't think this would have been evident to MoneyBoat at the time Mr H applied for the loan. So, I don't think MoneyBoat did anything wrong here.

Considering the amount being lent and the relatively low monthly payments required, against Mr H's likely disposable income and the fact he'd been managing existing credit well, I think MoneyBoat's checks were proportionate – and the lending fair.

I'm therefore satisfied MoneyBoat didn't lend to Mr H irresponsibly.

Has MoneyBoat acted unfairly in any other way?

I agree with our Investigator that MoneyBoat hasn't acted unfairly in any other way.

Mr H has raised issues about MoneyBoat sending a NOSIA, despite him raising a complaint about irresponsible lending. But the relevant provisions Mr H refers to in CONC do not say that collection activity must be stopped when a complaint is being made. Rather, that section of CONC refers to where the debt owed is disputed for specific reasons. In short, MoneyBoat wasn't obliged to stop recovery action. What I can see is that MoneyBoat contacted Mr H on several occasions with offers of support and information about where he could get further help, once he'd disclosed his circumstances and his inability to pay. Therefore, it appears MoneyBoat didn't treat Mr H unfairly here either.

Finally, I've also 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 MoneyBoat lent irresponsibly to Mr H 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.

Overall, I don't think MoneyBoat lent to Mr H irresponsibly when providing the loan, nor did it treat him unfairly in any other way.

My final decision

My final decision is that 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 7 January 2026.

Sophie Kyprianou
Ombudsman