

The complaint

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

What happened

MoneyBoat lent Mr P three loans, from the information provided the lending history is as follows:

Loan number	Start date	Loan amount (£)	Term	Highest Repayment (£)	End date
1	22/05/2022	200	3 months	84.59	09/07/2022
2	16/10/2022	200	2 months	121	30/11/2022
3	06/02/2023	400	4 months	150.51	31/05/2023

When Mr P complained to MoneyBoat about its decisions to lend, he said had it carried out sufficient checks, it wouldn't have lent to him. MoneyBoat didn't uphold any part of his complaint, it said it carried out sufficient checks and those checks showed Mr P could afford the loans.

Unhappy with MoneyBoat's response, Mr P referred his complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. Our investigator didn't think MoneyBoat was wrong to lend loan 1 and Mr P hasn't disputed this. However, our investigator thought MoneyBoat should have taken its checks further before agreeing to lend loans 2 and 3 and had it done that, it would have seen Mr P wasn't in a position to repay the loans without detriment to his finances.

MoneyBoat disagreed, it said the checks were sufficient and those checks which it carried out showed Mr P could afford the borrowing

As the complaint hasn't been resolved, it has been referred to me, an ombudsman to make 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.

We've set out our general approach to complaints about unaffordable/irresponsible lending - including all of the relevant rules, guidance and good industry practice - on our website.

MoneyBoat is aware of its obligations as a lender as explained in the regulator's handbook, so I don't intend to go into all the details about his duty. In summary, MoneyBoat is required to take reasonable steps to ensure that it didn't lend irresponsibly. There isn't a prescriptive level of checks to ensure responsible lending and in the early stages of a lending relationship, I think less thorough checks might be reasonable and proportionate.

But certain factors might point to the fact that MoneyBoat should fairly and reasonably have done more to establish that any lending was sustainable for the consumer. These factors include:

- the *lower* a consumer's income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);
- the *higher* the amount due to be repaid (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- the *greater* the number and frequency of loans, and the longer the period of time during which a customer has been given loans (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable.

As stated above, our investigator didn't think MoneyBoat was wrong to lend 1. Mr P hasn't disputed this and so I don't think there is a continuing dispute about loan 1. However, I've considered the lending decision, and I don't think MoneyBoat was wrong to lend loan 1 to Mr P on balance.

Mr P borrowed loan 2, three months after repaying loan 1, loan 2 was for a similar amount to loan 1 although it was a shorter term with a higher monthly repayment. Mr P declared his income as £2,573, he declared his monthly living costs including credit commitments as £580, MoneyBoat says it adjusted Mr P's declared monthly expenses by adding £287 and based on this, Mr P was left with sufficient income to repay the loan.

MoneyBoat also searched Mr P's credit file, the search showed Mr P was repaying about seven loans, two of which he took out the month before loan 2. Mr P was also repaying two credit cards which were both close to their limits.

From what I can see, between loans 1 and 2, Mr P was either borrowing or repaying a loan. While he didn't borrow from MoneyBoat for three months, his credit file suggests he may have been reliant on credit. I think given this, MoneyBoat should have reacted to this information and at least taken its checks further to build a picture of Mr P's financial situation before lending loan 2. I don't think it was sufficient for it to lend without reacting to the results of the credit search.

Mr P has provided copies of his bank statements around the time of the lending, I'm not concluding that MoneyBoat should have requested bank statements from Mr P. But I think it should have taken its checks further and in the absence of any information showing that it carried out further checks, I think it's reasonable for me to rely on Mr P's bank statements as it shows his financial circumstances at the time.

From what I can see on Mr P's bank statements, he was reliant on credit and was gambling a significant portion of the funds in his account. On balance, I think further checks would most likely have demonstrated this to MoneyBoat and it wouldn't have lent to Mr P. MoneyBoat has lent this loan to Mr P when it shouldn't have.

Mr P's declared income has decreased to £2,450 by the time of loan 3 and his monthly living costs were £560. MoneyBoat again adjusted Mr P's expenses and increased this by £365. This would have left Mr P with sufficient disposable income. However, like loan 2, the results of the credit search ought to have raised concerns with MoneyBoat about Mr P's reliance on credit, he'd two loans in November 2022, one loan in December 2022, by the time of loan 3, Mr P was repaying about six loans which totalled over £770. Mr P was close to his limit on both his credit cards and was also using a significant portion of his overdraft.

I think for the same reasons as loan 2, MoneyBoat should have been looking to take its checks further. Had it done that, it would have found Mr P was in a similar situation to loan 3 with significant gambling transactions regularly.

Mr P wasn't in a stable financial position to afford further borrowing without detriment and I think further checks would have revealed this to MoneyBoat and it wouldn't have lent loans 2 and 3 in those circumstances. As I think MoneyBoat has lent these loans to Mr P when it shouldn't have, it needs to put things right.

Putting things right

To put things right for Mr P, MoneyBoat should:

- remove all interest, fees and charges added to loans 2 and 3. Add up the total amount of money Mr P received as a result of having been given both these loans. The repayments Mr P made should be deducted from this amount.
 - a) If this results in Mr P having paid more than he received, any overpayments should be refunded along with 8% simple interest (calculated from the date the overpayments were made until the date of settlement). †
 - b) If any capital balance remains outstanding, then MoneyBoat should attempt to arrange an affordable and suitable payment plan with Mr P.
- remove any negative information about loans 3 and 4 from Mr P's credit file once the capital has been fully repaid.

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

Did MoneyBoat act unfairly/unreasonably in some other way?

I've also considered whether MoneyBoat acted unfairly or unreasonably in some other way, including whether its relationship with Mr P might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974.

However, I'm satisfied the redress I have directed above results in fair compensation for Mr P in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

For the reasons given above, I uphold Mr P's complaint in part and direct Evergreen Finance London Limited trading as MoneyBoat.co.uk to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 November 2025.

Oyetola Oduola
Ombudsman