

## **The complaint**

Mr W complains that Evergreen Finance London Limited trading as MoneyBoat.co.uk ("MoneyBoat") provided him with a loan that he couldn't afford to repay.

## **What happened**

In March 2024, MoneyBoat advanced one loan of £500. This was to be repaid in five monthly instalments of £138.39 followed by a final instalment of £138.30. Based on the statement of account an outstanding balance remains due.

MoneyBoat considered the complaint and concluded it had made a reasonable decision to lend. Mr W then referred the complaint to the Financial Ombudsman.

The complaint was considered by an Investigator, who didn't uphold the complaint. They said proportionate checks had showed MoneyBoat that Mr W would likely be able to afford the repayments. Mr W didn't agree with the investigator and in summary said.

- MoneyBoat ought to have reviewed his bank statements and this would've shown it that the loan wasn't affordable or sustainable.
- A review of the statements would've shown that Mr W was gambling at the time.
- The calculated disposable income wasn't accurate.
- Mr W had a County Court Judgement (CCJ) and these have either been missed or not correctly considered.
- MoneyBoat needed to have verified the self-declared figures.

As no agreement could be reached the complaint has been passed to me.

## **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 this type of lending - including all the relevant rules, guidance and good industry practice - on our website.

MoneyBoat had to assess the lending to check if Mr W could afford to pay back the amount he'd borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. MoneyBoat's checks could have taken into account a number of different things, such as how much was being lent, the size of the repayments, and Mr W's income and expenditure.

With this in mind, I think in the early stages of a lending relationship, less thorough checks might have been proportionate. But certain factors might suggest MoneyBoat should have done more to establish that any lending was sustainable for Mr W. These factors include:

- Mr W having a low 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 amounts to be repaid being especially high (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- Mr W having a large number of loans and/or having these loans over a long period of time (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable);
- Mr W coming back for loans shortly after previous borrowing had been repaid (also suggestive of the borrowing becoming unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Mr W. The investigator didn't consider this applied to Mr W's complaint as there was only one loan and I agree.

MoneyBoat was required to establish whether Mr W could sustainably repay the loan – not just whether he technically had enough money to make his repayments. Having enough money to make the repayments could of course be an indicator that Mr W was able to repay his loan sustainably. But it doesn't automatically follow that this is the case.

I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Mr W's complaint.

Mr W declared a monthly income of £2,400. It is my understanding that MoneyBoat ordinarily uses a tool provided by a credit reference agency to check the accuracy of any declared income. It's not clear whether that happened in this case, but whether it did or didn't check the income doesn't change the outcome. MoneyBoat was entitled to have relied on Mr W's declared income for a first loan.

MoneyBoat also asked Mr W a number of questions about his day to day living costs including his rent, food and transport to name a few. MoneyBoat was told all of his costs came to £1,400 per month.

However, I can see that MoneyBoat didn't just accept what Mr W declared, this is because it has evidenced for the affordability assessment that it increased Mr W's declared outgoings by a further £382 – taking them to £1,782. This increase was made off the back of the results of the credit search (which I come on to below) and or statistical data. For a first loan I think it was entirely fair and reasonable for MoneyBoat to have relied upon the information provided by Mr W as well as the results of its further checks to work out his living costs without needing to verify these further.

MoneyBoat also carried out a credit search, and I've considered the results it received, and I don't think in this case, given what else MoneyBoat was told that it would've been overly concerned by the information.

The credit report showed that Mr W had six active accounts including a hire purchase agreement, two credit cards, two current accounts and a telecommunication account. These accounts had been well maintained.

There was some historic adverse payment information – Mr W must have had difficulties repaying a number of accounts in 2019 and 2020. Three accounts defaulted at this time. MoneyBoat was aware of them but in my view these were historic and so it would've been fair and reasonable for MoneyBoat to have placed less weight on them because the rest of the credit file didn't suggest Mr W was having current financial difficulties.

The credit report didn't show any active loans – either high-cost credit or any other sort of loan – beyond the hire purchase agreement. And as such there wouldn't have been anything to suggest that Mr W was dependent on that sort of credit.

As Mr W has pointed out, he was subject to a CCJ at the time. This had been reported to his credit file in May 2019 and the credit search results provided by MoneyBoat show it was aware of the CCJ.

However, the CCJ was approaching five years old – which I think MoneyBoat would've been reasonably entitled to consider it to be historic – especially as there wasn't any recent adverse payment information to suggest ongoing difficulties. In the circumstances MoneyBoat was entitled to place less weight on the CCJ than it may have been able to in circumstances where for example the CCJ had only been recorded a month or so before lending.

It was reasonable for MoneyBoat to have relied on the information Mr W provided to it and the results of its own checks – which showed he had sufficient disposable income to afford the repayments – without the need to verify it further than it did. This means I don't think MoneyBoat needed to have reviewed Mr W's bank statements – in my view doing so would've been disproportionate to the circumstances of the application. As such MoneyBoat didn't and couldn't have known about Mr W's gambling.

There also wasn't anything to suggest that Mr W was having either current financial difficulties or to indicate the loan repayments would be unsustainable for him and so I do not uphold Mr W's complaint.

I'm sorry to hear that repaying the loan was difficult and I know from what Mr W has told me and the statement of account that an outstanding balance remains which has now been passed to a third-party collection agency. It's not clear whether the account has been sold or not – but there is an obligation to treat Mr W fairly and with forbearance.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think MoneyBoat lent irresponsibly to Mr W 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.

### **My final decision**

For the reasons I've explained above, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 February 2026.

Robert Walker  
**Ombudsman**