

Complaint

Miss P has complained about high-cost short-term credit (“HCSTC”) instalment loan she took out with Evergreen Finance London Limited (trading as “Moneyboat”.co.uk). She says Moneyboat should not have provided her with this loan as it was unaffordable.

Background

Moneyboat provided Miss P with a single loan for £400 in June 2024. The loan was due to be repaid in four monthly instalments of £148.21. One of our investigators reviewed what Miss P and Moneyboat had told us. And she thought that proportionate checks would have shown Moneyboat that it shouldn't have provided this loan to Miss P.

Moneyboat disagreed and asked for an ombudsman to look at her complaint.

My provisional decision of 8 September 2025

I issued a provisional decision – on 8 September 2025 - setting out why I wasn't intending to uphold Miss P's complaint. In summary, I was satisfied that that Moneyboat carried out proportionate checks which showed that this loan was affordable for Miss P. In these circumstances, I was of the view that it wasn't unfair for Moneyboat to have lent to Miss P.

Moneyboat's response to my provisional decision

Moneyboat agreed with my provisional decision and provided nothing further for me to consider.

Miss P's response to my provisional decision

Miss P didn't respond to my provisional decision or provide anything further for me to consider.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having carefully thought about everything, including events since my provisional decision, I'm not upholding Miss P's complaint. I'd like to explain why in a little more detail.

We've explained how we handle complaints about short term lending on our website. And I've used this approach to help me decide Miss P's complaint.

Miss P was provided with a high-interest loan, intended for short-term use. So Moneyboat needed to make sure that it didn't provide it irresponsibly. In practice, what this means is that Moneyboat needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Miss P before providing it.

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.

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 that it didn't continue to lend to a customer irresponsibly.

Moneyboat says it agreed to Miss P's application after she'd provided details of her monthly income and expenditure and it carried out a credit check on her. It says the information Miss P provided on her income and expenditure showed that she'd be able to comfortably make the repayments she was committing to. And in these circumstances, it was reasonable to lend. On the other hand, Miss P says the loan was unaffordable for her.

I've carefully thought about what Miss P and Moneyboat have said. The information provided does suggest that Miss P was asked to provide details of her income and expenditure. Moneyboat didn't just accept Miss P's declarations at face value, it carried out credit searches. I also understand that Moneyboat took steps to validate Miss P's declared income using information from credit reference agencies on the amount of funds going into her main bank account each month.

I note that our investigator was of the view Moneyboat shouldn't have lent to Miss P as she'd taken out other HCSTC. However, the credit check doesn't name Miss P's creditors and it doesn't clearly define the loans the investigator identified as being HCSTC loans. So even on a manual review of the credit search it isn't categorically clear that Miss P had a history of taking out HCSTC. In any event, even if the loans referred to were I'm not persuaded that the number of loans in themselves represented an unsustainable cycle at this stage.

What's more important is that the investigator's assessment has focused on the mismatch between Miss P's declaration of what she paid to her creditors and the commitments that were due on the credit search. However, Moneyboat didn't place any weight on Miss P's, clearly inaccurate, declaration of what she paid to her credit commitments. I can see that what it did was revised Miss P's declared amount upwards by a further £1,500.00 in order to take account of what the credit check showed Miss P owed.

Furthermore, when this revised amount is deducted from Miss P's validated income, Miss P was left with sufficient disposable income for her to be able to make the monthly repayments to this loan. For the sake of completeness, even if I were to accept the argument that Moneyboat ought to have done more here, I've not been provided with anything at all to show that it doing so would have shown the loan to be unaffordable.

Bearing in mind the amount of the monthly repayment, the questions Moneyboat asked Miss P, it taking account of what the credit check showed and this was Miss P's first loan, I don't think it was unreasonable for Moneyboat to rely on the information Miss P provided.

I accept that Miss P's actual circumstances may not have been reflected either in the information she provided, or the other information Moneyboat obtained. And I'm sorry to hear that Miss P was struggling financially. But Moneyboat could only make its decision to lend based on the information it had available at the time. And, at this stage of the lending relationship, I don't think proportionate checks would've extended into Moneyboat asking Miss P to provide evidence such as bank statements to verify what she had declared.

Equally it's only really fair for me to uphold a complaint where I can safely say a lender did

something wrong. And, in this case, I don't think that Moneyboat did anything wrong in deciding to lend to Miss P - it carried out reasonable checks even though it's possible, given what Miss P says now, the information may have been inaccurate.

Furthermore, it took steps to validate Miss P's income and check her existing credit commitments. Moneyboat reasonably relied on the information it had and given the amount of the repayments involved and this being a first loan, I don't think it was unreasonable for Moneyboat to lend.

In my view, the presence of some other HCSTC that may or may not have shown up as such – which isn't unusual in this sector of the market - isn't enough for me to agree that Miss P shouldn't have been lent to in any circumstances, in the way that Miss P and the investigator suggest. This is especially as the rest of the information gathered indicated that it was more likely than not that Miss P would be able to sustainably repay this loan.

In reaching my conclusions, I've also considered whether the lending relationship between Moneyboat and Miss P might have been unfair to Miss P under s140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I'm not persuaded that Moneyboat irresponsibly lent or treated Miss P unfairly bearing in mind all of the circumstances. And I haven't seen anything to suggest that s140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

So having considered everything, I'm satisfied that Moneyboat acted fairly and reasonably when agreeing to lend to Miss P. And I'm therefore not upholding Miss P's complaint. I appreciate that this will be very disappointing for Miss P. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

For the reasons I've explained above and in my provisional decision of 8 September 2025, I'm not upholding Miss P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 24 October 2025.

Jeshen Narayanan
Ombudsman