

The complaint

Mr C complains that Evergreen Finance London Limited trading as MoneyBoat.co.uk ("MoneyBoat") lent to him irresponsibly. He says that these were 'loan shark' rates of interest.

What happened

Here is a brief table showing the lending.

Loan	Approved	Amount	Repayments (rounded)	Status/repaid
1	23 December 2024	£200	4 months x £71 each month	2 February 2025 repaid early
2	3 February 2025	£500	6 months x £160 each month	28 February 2025 repaid early
3	2 March 2025	£400	6 months x £131 each month	Paying off at £1 a month

In September 2025 Loan 3 remained outstanding and Mr C had arranged a repayment plan with MoneyBoat. Mr C says he withdrew from the first two loans because of the interest rate levels.

After Mr C had complained and MoneyBoat had responded he referred his complaint to the Financial Ombudsman Service. One of our investigators considered it and did not think that MoneyBoat needed to do anything to put things right for Mr C. He disagreed and the unresolved complaint was passed to me to decide.

On 18 February 2026 I issued a provisional decision giving reasons why I considered that Loan 3 ought not to have been approved for Mr C. That is duplicated here for ease.

What I provisionally decided on 18 February 2026 – 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 the relevant rules, guidance and good industry practice - on our website. MoneyBoat had to assess the lending to check if Mr C could afford to pay back the amounts he'd borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. MoneyBoat's checks could've considered several different things, such as how much was being lent, the size of the repayments, and Mr C's income and expenditure.

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 C. These factors include:

- 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);

- having lots of loans and/or having these loans over a long period with MoneyBoat (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable);
- coming back for loans shortly after earlier 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 with this lender demonstrates that the lending was unsustainable, but as Mr C took three loans only then I do not consider that this applies here.

MoneyBoat was required to establish whether Mr C could sustainably repay the loans – 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 C was able to repay his loans sustainably. But it doesn't automatically follow that this is the case.

MoneyBoat has set out in the FRL the figures Mr C presented to it when he applied for the loans. I do not set them out again as both parties have those figures. His income was checked by MoneyBoat using an industry wide used system involving Credit Reference Agency (CRA) data. Mr C has not challenged the income figures. I am satisfied they were broadly correct.

MoneyBoat has said it used all the expenditure figures declared by Mr C when he applied, and information in the complaint response letter (FRL) produced by MoneyBoat shows the adjusted figures based on CRA information and/or 'cost of living data' using Mr C's declared details such as address and circumstances. It uses, for example, the 'common financial statement' which is statistical data.

MoneyBoat could see that the loans were affordable each month using those income and expenditure figures following its uplifted amounts.

The credit check reports it carried out have been sent to us and I have reviewed them for each loan to see if the lending was fair.

Credit check for Loan 1

For Loan 1, Mr C's overall outstanding debt was £22,178 of which £14,573 was for a hire purchase (HP) agreement for a car and often viewed as secured lending. Mr C was using his overdraft on the current account which had the overdraft facility but was not at the limit; he was a little over the limit on one of his credit cards but he had other revolving credit accounts (credit card and mail order or store card accounts) where none or only some of the credit was being used. The total revolving credit debt was £4,570 at the time which meant he was using 61% of his available credit limit. This would not be viewed as particularly high by MoneyBoat.

Mr C had a record of four defaulted accounts dating from 2019 and 2020, and all had been paid off in 2022. These were far enough in the past for MoneyBoat not to have been concerned. And anyway, it is a lender used to lending to applicants with some adverse data on their records. These were not recent. Mr C had records to show he'd recently had trouble paying down a couple of accounts. However, Mr C had no records in the credit search report of any delinquent accounts, or recent defaults or any insolvency markers.

Overall, for a first loan and for an application of £200 I'd consider MoneyBoat carried out proportionate checks and lent fairly.

Loan 2

Mr C paid off Loan 1 quickly. Mr C says that him taking up another loan immediately ought to have alerted MoneyBoat to non-affordability. But having looked at all the circumstances I disagree. This was only the second loan, it was for not a particularly large sum and a good repayment record often is viewed as a positive element.

For the application for Loan 2, the figures for income and expenditure were much the same as for Loan 1 and these are set out in the FRL as I said earlier in this decision.

Credit check for Loan 2

Mr C's overall debt had reduced and his use of the revolving credit limit available to him had reduced from 61% to 43%. He still had the HP agreement. There were no new defaulted or delinquent accounts and still no insolvency markers. One element of concern was that a 'budget account' now had a marker of two months' worth of arrears on it. But reviewing the payments made to that account, the static balance figures seemed to relate to October and November 2024 and were not recent. Mr C had reduced the balance to £945 and was well under the credit limit noted on the report. So overall I do not consider that to have been a reason for MoneyBoat either to consider it ought to refuse Mr C the loan or to have carried out more checks.

Mr C did repay this second loan quickly. It's unclear whether this was a formal withdrawal from the agreement within the stipulated timeframes. Either way Mr C saved himself interest by paying it off early.

Loan 3

A couple of days later Mr C applied for Loan 3. I state the same in relation to Mr C's income and outgoings and refer him to the figures on the FRL. The loan looked affordable using those amounts but I have reservations about the fact that the figures MoneyBoat have used for rent, food, transport and 'other' have reduced a great deal in a matter of weeks between him asking for Loan 1 and Loan 3.

So, I asked MoneyBoat for more information about how it approached Mr C's general expenditure costs and it did not send anything further than what has been set out in the FRL. For instance, a concern is that I see no logical reason why these figures should reduce when they relate to rent, food and items like that. Plus, I have reviewed the credit check results provided by MoneyBoat for Loan 3.

Credit check for Loan 3

On 2 March 2025 when the third credit check was carried out, Mr C's overall debt had increased a little and he was using 42% of the revolving credit limit available to him which, as I have said before, would not be viewed as particularly high.

The budget account I referred to earlier had now gone to being 3 months in arrears and a credit card had gone into being two months in arrears. Mr C had missed two telecoms' payments as well but had paid in February 2025. And it looks like Mr C had taken more loans recently with a different high cost lender to MoneyBoat - on 6 January 2025 he'd taken a £525 loan. On 11 January 2025 he'd taken a £300 loan. These remained outstanding. And these had not registered on the credit search MoneyBoat had carried out for Loan 2 - I double checked these. But they did appear for the credit search carried out at Loan 3.

So, the MoneyBoat Loan 3 would count as the fifth loan to be open and outstanding in early March 2025 and still had to be paid down. The total I calculated was £524 each month including the MoneyBoat Loan 3 going forward. With the other credit commitment costs of £303 for the HP and £94 minimum repayment (approximately) for all of the credit cards and £46 for telecoms account, then the overall total was £967 each month.

Mr C's income was £1,924 each month after tax. And that meant that his credit commitment costs alone were approaching 50% of his net income which is high. This plus the additional missed payments on a number of existing accounts, together with the unexplained reduced figures for Mr C's general expenditure leads me to think that MoneyBoat ought to have checked further into Mr C's circumstances to see if he could sustainably repay this lending.

I asked Mr C for all of the bank account statements covering the period leading up to Loan 3 on 2 March 2025. I have reviewed those. I can clearly see that Mr C was overspending and taking loans out to pay for other debts. For example, as well as the loans I referred to earlier having been taken out in January 2025, Mr C took a loan of £300 on 3 February 2025 which he used to pay for his HP of £303. And he took a credit union loan of £4,500 on 18 February 2025 of which he used some to repay other loan debts and credit cards.

My review of Mr C's bank account transactions confirmed what I could see from the credit search results MoneyBoat already had – that he was not able to afford his existing debt, he was borrowing to pay off other debts and part of the reason for that may have been multiple transactions relating to betting and gaming, or some other sort of compulsive spending. But either way, Mr C was not going to be able to afford this third loan and pay off his other debts without borrowing again.

I've considered whether the relationship between Mr C and MoneyBoat might have been unfair under section 140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed should be carried out for Mr C results in fair compensation for him 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.

I plan to uphold the complaint about Loan 3.

Other points raised by Mr C

The final response letter being sent to Mr C within six weeks of his complaint is within the regulatory timetable set for regulated firms answering complaints which is 8 weeks. So, I do not consider that MoneyBoat did anything wrong on the handling of Mr C's complaint.

The interest rates are clearly visible on the documents Mr C signed. The Financial Ombudsman Service does not interfere with commercial decisions taken by regulated firms who run their business in the way that they do. So, I do not make any findings in relation to the interest rates. There is a Financial Conduct Authority (FCA) cost cap for some types of high cost loans.

This is the end of the duplicated provisional 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.

MoneyBoat has responded to my provisional decision and has said it has nothing to add. Mr C has not responded.

In the circumstances I see no reason to depart from the findings set out in the provisional decision which is repeated here as part of the final determination.

I uphold the complaint about Loan 3.

Putting things right

The current situation with Loan 3 is that Mr C is paying it off in a repayment plan at £1 a month. If MoneyBoat has sold the debt it needs to buy it back or liaise with the owner of the debt to ensure that what follows is put in place.

Recent details from MoneyBoat tell me that on 3 February 2026 Mr C had paid off about £53 of the £400 principal due. Therefore, there's nothing to refund.

MoneyBoat needs to remove all interest and charges (including any third party fees or charges if applicable) and continue to provide Mr C with forbearance about the debt. Mr C needs to continue to pay down the debt. Whether the amount being repaid is a matter for Mr C and MoneyBoat to arrange.

Where an outstanding balance remains, or will remain, after all interest, fees and charges adjustments have been made we won't usually tell a lender to remove any adverse information from a credit file. This is because an outstanding balance will remain and the consumer will normally be expected to repay this. It's only fair for this to be reflected on their credit file so that future lenders can take into account what a consumer already owes when deciding whether to lend. So, I make no direction on Mr C's credit file for this Loan 3.

My final decision

I uphold the complaint in part and I plan to direct that Evergreen Finance London Limited trading as MoneyBoat.co.uk does as I have outlined in the 'putting things right' part of the decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 April 2026.

Rachael Williams
Ombudsman