

The complaint

Ms M complains through a third-party representative. Ms M says Evergreen Finance London Limited trading as MoneyBoat.co.uk irresponsibly lent to her. Ms M also says the lending resulted in an unfair relationship under s140a of the Consumer Credit Act 1974

What happened

MoneyBoat provided Ms M with three loans between February 2021 and August 2021, the details of the loans are below.

Loan number	Start date	Loan amount	Term	Repayment	End date
1	04/02/2021	£300	4 instalments	£104.42	15/03/2021
2	15/03/2021	£500	6 instalments	£155.34	14/05/2021
3	14/05/2021	£700	6 instalments	£219.04	30/08/2021

When Ms M complained to MoneyBoat, it didn't uphold any part of her complaint. It said its checks were sufficient when it decided to lend and those checks showed Ms M could afford what she was borrowing. Unhappy with the response, Ms M's representatives on her behalf referred her complaint to the Financial Ombudsman Service where it was looked at by one of our investigators.

Our investigator thought MoneyBoat's checks showed Ms M could afford the loans so she didn't think Ms M's complaint should be upheld. Ms M's representative disagreed. It said Ms M's credit file showed financial difficulties at the time and MoneyBoat should have gone further with its checks before agreeing to lend.

The complaint has been passed to me an ombudsman to decide.

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 its 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.

Before lending any of the loans, MoneyBoat asked Ms M about her monthly income and expenditure. It also searched her credit file. Ms M declared income between £1,131 – £1,350 and expenses between £195 and £250. MoneyBoat increased Ms M's outgoings by over £500 for each loan and that still left her with sufficient disposable income to repay the loan.

MoneyBoat's credit search for loan 1 showed Ms M had a default recorded on her file about three months before the loan. The default balance was a small amount of £127. The other defaults and County Court Judgements (CCJs) on her file were historic, and it isn't clear from Ms M's credit file that she was making monthly repayments towards them. I don't think these should automatically have made MoneyBoat decline the lending.

However, I think MoneyBoat should have reacted to the information its checks found and there's an argument it should have sought a greater understanding of Ms M's financial situation. This service has asked Ms M for copies of her bank statements to see if I could build a picture of her finances at the time but despite two attempts to obtain these, they have not been provided. So, as I don't know what her bank statements would've have shown, I've determined the complaint based on the available information.

I think MoneyBoat reacted to the information its checks found by increasing Ms M's monthly expenses. From what I can see, Ms M's repayment on loan 1 was less than 10% of her declared income and at the time of loan Ms M was making around £420 towards credit commitments monthly but she declared she was only paying £60. Also, the recent default was a small amount as stated and despite the adjustments to Ms M's outgoings by MoneyBoat, she was left with sufficient income to repay what she was borrowing, I think on balance MoneyBoat wasn't unfair to lend to her in the circumstances.

Ms M's credit file revealed broadly similar adverse information for loans 2 and 3, by the time of these loans the defaults had gotten older, and I think MoneyBoat again reacted to the information it saw by increasing her outgoings and she was still left with sufficient disposable income. I can see Ms M declared £100 and £50 for her credit commitments for both loans respectively and her credit file showed she was repaying around £540 for loan 2. Ms M's credit commitments reduced by loan 3 and her active monthly repayments were around £175. I can also see for each of the loans, Ms M had credit that doesn't show the repayment schedule so it isn't clear on those accounts, what Ms M was due to repay or when these repayments were due.

Ms M's representative in response to the investigator's view said she had several short-term high-cost credit at each point of lending but this isn't what MoneyBoat's checks revealed. I'd have expected Ms M's representative to provide her bank statements to support what it says but it hasn't done that. From what I can see, Ms M had one outstanding home credit loan and another delinquent one which had been reducing in balance. Ms M had other unsecured loans, but these weren't recorded as high-cost short term loans. The repayments Ms M was making towards these are stated above.

I've also considered the pattern of lending and Ms M repaid all loans early and the number and frequency of loans on their own isn't sufficient to demonstrate that MoneyBoat has treated Ms M unfairly in these circumstances.

Based on all the available information, MoneyBoat wasn't wrong to lend any of the loans, so I won't be asking it to take any further steps. I appreciate my findings will likely disappoint Ms M, but I hope my explanation helps her understand why I've reached this outcome.

Did MoneyBoat act unfairly or unreasonably to Ms M in some other way?

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

However, for the reasons I've already given, I don't think MoneyBoat lent irresponsibly to Ms M or otherwise treated her 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 given above, I do not uphold Ms M's complaint or make any awards against Evergreen Finance London Limited trading as MoneyBoat.co.uk.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 12 January 2026.

Oyetola Oduola
Ombudsman