

The complaint

Miss S complains that Evergreen Finance London Limited trading as MoneyBoat.co.uk ("MoneyBoat") provided her with a loan without carrying sufficient affordability checks. Had better checks been made it would've seen she was already in financial difficulties.

What happened

In February 2025, MoneyBoat advanced one loan of £400. This was to be repaid in five monthly instalments of £121.39 followed by a final instalment of £121.21. Based on the latest statement of account, an outstanding balance remains due.

MoneyBoat considered the complaint and concluded it had made a reasonable decision to lend because it had carried out proportionate checks. Miss S then referred the complaint to the Financial Ombudsman.

The complaint was considered by an Investigator, who didn't uphold the complaint. Miss S didn't agree saying she had other loans outstanding at the time and she was in significant financial difficulties. 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 Miss S could afford to pay back the amount she'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 Miss S'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 Miss S. These factors include:

- Miss S 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);
- Miss S 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);
- Miss S 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 Miss S. The investigator didn't consider this applied to Miss S's complaint as there was only one loan and I agree.

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

Miss S declared a monthly income of £3,000. But MoneyBoat didn't just accept what Miss S told it. MoneyBoat went about cross checking this income with a tool provided by a credit reference agency. No adjustments were made to Miss S's income indicating to MoneyBoat that the amount she declared was likely to be accurate. For a first loan this income check was proportionate.

MoneyBoat also asked Miss S about her day to day living costs including about her rent, food and transport to name a few. MoneyBoat was told all of her costs came to £680 per month. However, I can see that MoneyBoat again didn't just accept what Miss S declared, this is because it has evidenced that it increased Miss S's declared outgoings by a further £1,526 – taking them to £2,206 per month.

This increase was made off the back of the results of the credit search (which I come on to below) and or statistical data that MoneyBoat used to check what Miss S had told it. But even with the increase living costs MoneyBoat calculated Miss S had sufficient disposable income to afford her repayments. For a first loan I think it was entirely fair and reasonable for MoneyBoat to have relied upon the information provided by Miss S as well as the results of its further checks.

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.

MoneyBoat was told that Miss S didn't have defaults, any types of insolvency such as bankruptcy or County Court Judgements. And there had only been one missed payment recorded on her credit file within the last six years. I can see that was around three months before the loan was advanced but given the accounts that Miss S did have, I don't think MoneyBoat would've been overly concerned by one missed payment that had been quickly corrected.

The credit report showed that Miss S was managing her finances and making her payments as and when they became due. And while MoneyBoat was told about one outstanding payday loan that was already active at the time. Albeit given the account record hadn't been updated for two months it may well have been closed by the time this loan was granted. And while I can see that Miss S did have other loans – given the mounts advanced and how long some had been running for they weren't likely to be payday loans.

But MoneyBoat took the monthly payments into account for its affordability assessment which is what I would've expected it to have done. There wasn't anything solely from the credit search results which would've prompted further checks.

Overall, it was reasonable for MoneyBoat to have relied on the information Miss S provided to it and the results of its own checks– which showed she had sufficient disposable income to afford the loan repayments – without the need to verify or cross check beyond what it did.

This means I don't think MoneyBoat needed to have reviewed Miss S's application more closely such as through bank statements – in my view doing so would've been disproportionate to the circumstances of her application.

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

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

Finally, an outstanding balance remains due, and I would remind MoneyBoat of its regulatory obligations to treat Miss S fairly and with forbearance.

My final decision

For the reasons I've explained above, I'm not upholding Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 25 February 2026.

Robert Walker
Ombudsman