

## **The complaint**

Mrs H complains that Evergreen Finance London Limited, trading as MoneyBoat.co.uk, lent to her irresponsibly when they provided her with a personal loan.

## **What happened**

In April 2025, Mrs H was provided with a personal loan by MoneyBoat. The loan was for £550 and was repayable over six months, with a monthly payment of around £174.

Shortly after taking out the loan, Mrs H complained. In summary, she said MoneyBoat had irresponsibly lent to her and that sufficient checks – to ensure her affordability status – hadn't been undertaken.

MoneyBoat didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the loan had been granted. So, they were satisfied they had lent responsibly.

Mrs H disagreed; she still thought MoneyBoat were wrong to have lent to her. So, she referred her complaint to this Service for independent review.

An Investigator here considered what had happened; having done so, he thought MoneyBoat were wrong to have lent to Mrs H, and recommended they put things right in line with our service's approach to such matters; which, included removing interest and charges, and refunding any payments over and above the capital sum borrowed along with 8% simple interest. If the capital was yet to be repaid, he said MoneyBoat should work with Mrs H to agree a suitable repayment plan, and that once the capital borrowed had been repaid, any adverse information recorded in respect of the loan should be removed from Mrs H's credit file.

MoneyBoat accepted the investigator's findings. But while Mrs H agreed the loan should never have been provided, she didn't think it was fair she should be required to repay the capital borrowed.

The investigator re-considered the matter following Mrs H's response, but based on the evidence MoneyBoat had been provided, he didn't think there was sufficient reason to suggest that MoneyBoat should write off the balance owing. He did however agree that the lending had exacerbated an already difficult situation for Mrs H, so he recommended MoneyBoat pay her £200 in compensation in addition to the redress already set out.

Mrs H however felt the compensation did not go far enough and said that our service's approach to awards where a failing resulted in lasting emotional harm, suggested a higher figure be awarded.

So, as no agreement has been reached by the parties, Mrs H's complaint has now been passed to me 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.

Having done so, while this will no doubt disappoint Mrs H, I agree with the findings of our Investigator and for broadly the same reasons. I'll explain why.

Looking first at the lending decision itself. I haven't set out a great deal of detail here. That's because the investigator found that the lending should not have been provided, and both Mrs H, and MoneyBoat accepted those findings. So, this element of Mrs H's complaint is no longer in dispute. However, for clarity, based on the information available to MoneyBoat at the time they lent to Mrs H, and taking into account the level of arrears on her existing credit - along with the recent delinquent accounts recorded against her name - I agree that it wasn't responsible for MoneyBoat to extend further finance to Mrs H when they did.

When looking at a complaint, our role when something has gone wrong is - so far as is reasonably practicable - to put the customer back in the position they would have been before that wrongdoing took place. That's not always possible as matters escalate, and some unintended consequences can't necessarily be reversed. But in cases of irresponsible lending, our general approach at a broad level, is that had the lending not taken place, the customer would not have accrued the interest and charges applied to the loan when it was taken out. So, we would expect these to be refunded.

However, had the loan not been approved, equally, Mrs H would have never received the £550 from MoneyBoat. So, in putting matters right, the money borrowed would also need to be returned to MoneyBoat (repaid). There are also additional considerations, such as the 8% simple interest we apply to the refund of any payments over and above the capital borrowed, and the removal of adverse information from a customer's credit file.

In this instance, the investigator has awarded redress correctly in their view, whereby they instructed MoneyBoat to refund any payments over and above the capital sum borrowed of £550, along with 8% simple interest per year. Or, if the capital was yet to have been repaid (having deducted all interest and fees), to agree an affordable repayment plan with Mrs H; which, once resulting in the balance borrowed being cleared, should then follow with MoneyBoat removing any adverse information recorded against Mrs H's credit file in respect of this loan.

Mrs H has argued that as the loan should never have been granted, this has put her in a very difficult position to repay what is owing; and, in providing the loan, MoneyBoat have exacerbated an already existing health condition. She feels it's unfair to be expected to have to repay the capital borrowed.

I'm sorry to hear of the position Mrs H finds herself in, and from the evidence I've seen, I appreciate she is going through a particularly difficult time. But while I sympathise with Mrs H's circumstances, I do need to take into account the fact that Mrs H was already in a rather difficult financial position at the time this loan was taken out. And while I agree it shouldn't have been provided, I don't think the loan itself caused the difficulties Mrs H was facing both personally and financially, but rather it added to them. So, I don't think it's reasonable to conclude that MoneyBoat are wholly responsible for the issues Mrs H experienced.

When considering whether or not it is reasonable to write-off the original capital borrowed, MoneyBoat would need to understand more about Mrs H's circumstances, both regarding her finances and her health. It's important to note that writing off a debt is rare and would

only usually be done in extreme or unique circumstances – for instance, where a customer's circumstances are such that it is clear they will be unable to return to work, and at the same time, their expenditure clearly exceeds their income.

I accept Mrs H's medical condition makes it difficult for her to manage this situation currently, and I appreciate that she has requested that MoneyBoat don't contact her by phone or email. But equally, in order for MoneyBoat to consider whether or not writing off the outstanding balance is the right thing to do, they would need to be able to communicate with Mrs H in a way that helps them gain a real understanding of her circumstances, and for this to be supported with documented evidence, before they could even consider whether writing off the debt is the right thing to do.

I can see that Mrs H has provided a number of doctor's notes explaining her condition, showing that she is currently signed off for a period of four weeks and has been signed off for similar periods previously. And I can see that these four-week periods run consecutively. But the additional evidence that has been requested to understand more about Mrs H's condition by way of a Debt and Mental Health Evidence Form (DMHEF) from her GP, only points to her current symptoms, and doesn't suggest that Mrs H will be unable to return to work; or that her condition will result in her being in a position whereby she won't be able to repay the funds owing.

So, while I accept that things are particularly difficult for Mrs H right now, and have been for some time; and, not taking anything away from the pressures I appreciate Mrs H must be experiencing, I'm satisfied that at present, based on the evidence they have seen so far, it's not unreasonable for MoneyBoat to still expect Mrs H to repay the capital sum borrowed. MoneyBoat can, of course, try and liaise with Mrs H moving forward to gain a better understanding of her circumstances; it can then consider the best options for clearing the outstanding balance owed, perhaps through a reduced payment plan.

One consideration for MoneyBoat might be to consider writing off the balance outstanding, but I'm not persuaded, based on the evidence provided so far, that it would be reasonable to expect them to do so currently – or for me to direct them to do so. I do agree, however, that this situation has caused Mrs H some distress, and I agree with the investigator that an award of £200 compensation is fair in the circumstances.

I can see that Mrs H has pointed out that our website suggests higher awards where an issue has resulted in lasting emotional harm. But while I accept Mrs H's point here, for the reasons set out above, I think that MoneyBoat's actions exacerbated an already difficult situation, rather than MoneyBoat being solely responsible for the overall circumstances Mrs H has found herself in. So, for these reasons, I'm satisfied the £200 compensation award recommended by the investigator is appropriate in the circumstances. And I don't think MoneyBoat need to do anything more than the investigator has set out in their findings.

Finally, I've considered whether the relationship between Mrs H and MoneyBoat might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed below results in fair compensation for Mrs H in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

### **Putting things right**

MoneyBoat should add up the total repayments Mrs H has made and deduct these from the total amount of money she received:

- a) if this results in Mrs H having paid more than she received, any overpayments

should be refunded along with 8% simple interest (calculated from the date the overpayments were made until the date of settlement). † MoneyBoat should also remove all adverse information regarding this account from Mrs H's credit file.

b) if any capital balance remains outstanding, then MoneyBoat should arrange an affordable and suitable payment plan with Mrs H (Mrs H might benefit from getting someone to represent her, if she feels unable to liaise with MoneyBoat regarding this matter). Once Mrs H has cleared the balance, any adverse information in relation to the account should be removed from her credit file.

If MoneyBoat has sold the debt to a third party, it should arrange to either buy back the debt from the third party or liaise with them to ensure the redress set out above is carried out promptly.

† HM Revenue & Customs requires MoneyBoat to take off tax from this interest. MoneyBoat must give Mrs H a certificate showing how much tax it's taken off if she asks for one.

### **My final decision**

My final decision is that I uphold Mrs H's complaint. And I direct Evergreen Finance London Limited trading as MoneyBoat.co.uk to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 6 February 2026.

Brad McIlquham  
**Ombudsman**