

## The complaint

Mr L complains Evergreen Finance London Limited trading as MoneyBoat.co.uk ('Moneyboat') irresponsibly lent to him.

## What happened

Moneyboat provided Mr L with a single loan in March 2025. The loan was for £400 and was due to be repaid over four monthly instalments of between £153.95 and £154.03. The total amount to be repaid by the end of the loan term, including interest, was £616.04. In the event, the loan was settled early in May 2025 at which point Mr L had repaid a total of £559.15.

In May 2025 Mr L complained to Moneyboat about its decision to lend to him. In doing so, Mr L alleged (amongst other things) that Moneyboat did not carry out sufficient checks prior to agreeing to lend and, if it had done, it would have seen the loan was unaffordable for him.

In June 2025 Moneyboat issued a final response in which it did not uphold Mr L's complaint. In doing so, Moneyboat said that it carried out reasonable and proportionate checks prior to agreeing to lend and the output from those checks did not give it cause for concern.

Unhappy with this response, Mr L referred the complaint to our service in June 2025.

One of our investigators reviewed Mr L's complaint. But they didn't think Moneyboat had treated Mr L unfairly, and so they didn't recommend that the complaint be upheld.

Mr L didn't agree with the investigator's findings and so the complaint was passed to me to review afresh.

I issued a provisional decision in which I said I thought the complaint should be upheld. Here is what I had to say:

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

*I've also had regard to the regulator's rules and guidance on responsible lending (set out in its consumer credit handbook – CONC) which lenders, such as Moneyboat, need to abide by. Moneyboat will be aware of these, and our approach to this type of lending is set out on our website, so I won't refer to the regulations in detail here but will summarise them.*

*And, having taken all of this into account along with everything else I need to consider, I think this complaint should be upheld. I'll explain why.*

*Moneyboat needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr L could repay the loan repayments when they fell due and without the need to borrow further.*

*These checks weren't prescriptive, but could take into account a number of different things*

*such as how much was being lent, the repayment amounts and the consumer's income and expenditure.*

*So, in keeping with the information on the Financial Ombudsman Service's website, I think there are a number of overarching questions I need to consider when deciding a fair and reasonable outcome given the circumstances of this complaint:*

*1. Did Moneyboat carry out reasonable and proportionate checks to satisfy itself that Mr L was likely to have been able to repay the borrowing in a sustainable way?*

*i. If Moneyboat carried out such checks, did it lend to Mr L responsibly using the information it had?*

*Or*

*ii. If Moneyboat didn't carry out such checks, would appropriate checks have demonstrated that Mr L was unlikely to have been able to repay the borrowing in a sustainable way?*

*2. If relevant, did Mr L lose out as a result of Moneyboat's decision to lend to him?*

*3. Did Moneyboat act unfairly or unreasonably in some other way?*

*There are many factors that could be relevant when determining how detailed proportionate checks should have been. And while much will depend on the circumstances in question, the more obvious factors include – though aren't necessarily limited to:*

- The type of credit Mr L was applying for along with the size, length and cost of the borrowing; and*
- Mr L's financial circumstances – which included his financial history and outlook along with his situation as it was, including signs of vulnerability and/or financial difficulty.*

*And generally speaking, I think reasonable and proportionate checks ought to have been more thorough:*

- The lower an applicant's income because it could be more difficult to make the repayments as a result;*
- The higher the amount repayable because it could be more difficult to meet a higher repayment, especially from a lower level of income; and*
- The longer the loan term, because the total cost of the credit was likely to have been greater given the longer time over which repayments have to be made.*

*As a result, the circumstances in which it was reasonable to conclude that a less detailed affordability assessment was proportionate strike me as being more likely to be limited to applicants whose financial situation was stable and whose borrowing was relatively insignificant and short-lived – especially in the early stages of a lending relationship. I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Mr L's complaint.*

*Prior to agreeing to lend, Mr L was asked to provide details of his monthly income, which*

he declared was £3,500. Moneyboat says the declared income figure was verified using a tool provided by a credit reference agency.

CONC 5.2a.15(2) says: *The firm must take reasonable steps to determine the amount, or make a reasonable estimate, of the customer's current income.*

*While Moneyboat has described what it did to check Mr L's income as verification and it may consider this to be the case, I don't agree what it did is the same as verification. What it actually did was cross check Mr L's declaration of his monthly income against information on the amount of funds going into his bank account each month, which is not the same as verifying an actual salary.*

*Nonetheless, this cross-checking appears to have suggested that what Mr L declared receiving each month was in-line with what was going into his account each month. Given this was the case and Mr L didn't have a previous lending history with Moneyboat, I don't think that it was unreasonable for Moneyboat to proceed with the application on the basis of Mr L's declaration.*

*Mr L was also asked for details of his monthly expenditure, which included asking for how much he paid to housing costs, credit commitments, food, transport and other spending. Mr L declared his monthly outgoings were £2,300 as follows:*

<b>Rent/Mortgage</b>	<b>Credit</b>	<b>Food</b>	<b>Transport</b>	<b>Other</b>
£1,500	£200	£400	£50	£150

*Moneyboat also completed a credit search and it has provided our service with a copy of the results that it saw. Moneyboat used information from Mr L's credit search to make an upward adjustment to his declared outgoings towards his credit commitments. It increased this figure by £93. Based on the information Moneyboat obtained, it could see Mr L had sufficient disposable income to afford his repayments.*

*The credit search results indicated that Mr L had total debt of around £3,102 at the time which, relative to what Moneyboat understood to be Mr L's income, would not have been concerning.*

*However, there were (in my view) a number of clear indicators that Mr L was experiencing financial difficulties. I'll summarise what I found:*

- *Mr L was over limit on a credit card account and had been in three of the five months prior to the lending in question.*
- *Mr L was in sustained arrears on a utilities account and had been for most of the prior 10 months. The 'Account State' was recorded as 'Delinquent' and it had entered this state in November 2024, just a few months prior to the lending in question.*
- *Another credit card account was reported as 'Delinquent' and it had entered this state around five months prior to the lending in question. Indeed, Mr L had exceeded the credit limit just two months prior to the lending in question.*
- *Mr L was in what appears to have been an 'Arrangement to Pay' on an account described as an 'Unsecured Loan' which he had taken out five months prior to the lending in question. The outstanding balance on said loan was £830.*

- *Mr L was in active arrears (and had been for the prior three months) on a telecommunications account.*
- *Mr L was in active arrears on a current account. What's more, Mr L was over the agreed overdraft limit and had been every month since he had opened the account seven months prior to the lending in question*
- *Mr L was within a few pounds of the credit limit on a further two credit cards.*

*I recognise – as did Moneyboat – that the credit search did not reveal an indication of any defaults, insolvencies or any other public records – such as County Court Judgments at the time it agreed to lend. But I think the information it gathered not only called into question the rest of the income and expenditure Moneyboat obtained but in itself suggested that Mr L was already struggling to make ends meet.*

*In my view, there was enough evidence within the checks to indicate that Mr L was experiencing financial difficulties. And I think it should have realised that there was a real risk that he would be unable to repay the loan sustainably and without having to borrow further, even if the loan may appear affordable on a pounds and pence basis. So, I don't think it should have agreed to lend.*

*But, even if I'm wrong to suggest that this alone should have been sufficient cause for Moneyboat to refuse to lend (and I don't think I am) then, at the very least, the output from the credit file check ought to have prompted further enquiries. So, for completeness, I'll go on to consider what further enquiries might have shown Moneyboat if it had conducted them.*

*Moneyboat could have obtained a deeper understanding of Mr L's financial circumstances by asking for his bank statements, for example.*

*Mr L has provided bank statements for his two primary accounts covering the three months before he applied for the lending in question (i.e. December 2024-February 2025). I think this would have given Moneyboat a good understanding of Mr L's overall financial circumstances.*

*Having looked through these bank statements (specifically the account Mr L used for what appears to be his day-to-day living expenses) I think there were a number of indicators Mr L was having some trouble managing his money.*

*I say this because, in December 2024 (just three months prior to the lending in question), Mr L saw two direct debits to a credit company (one for as little as £6.95) reversed due to insufficient funds. In addition, a Direct Debit for what appears to be Council Tax was also reversed due to insufficient funds. And a Standing Order for a loan repayment to a family member was also reversed for the same reason.*

*This pattern repeats itself In January 2025 (with the addition of a further Direct Debit reversal for what appears to be a gym membership).*

*As a result, it seems to me that further enquiries (if Moneyboat had made them) were likely to have reinforced what the output from credit report suggested. This being that Mr L would not have been able to sustainably make the repayments for this loan without a real risk of undue difficulty and/or having to borrow further.*

*With this being the case, I'm provisionally minded to conclude that Moneyboat should not have agreed to lend.*

*Did Moneyboat act unfairly or unreasonably in some other way?*

*I've also considered whether the relationship 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 Mr L in the circumstances of his complaint.*

*For the reasons I've explained, I'm also satisfied that, based on what I've seen, no additional award is appropriate in this case.*

**Putting things right**

*It's reasonable for Mr L to have repaid the capital amount that he borrowed as he had the benefit of that money. But he has paid interest and charges on a loan that shouldn't have been given to him. So, he has lost out and Moneyboat must put things right.*

*Moneyboat should:*

- Add up the total amount of money Mr L received as a result of having been given the loan. The repayments Mr L made should be deducted from this amount.*
- If this results in Mr L having paid more than he received, then any overpayment should be refunded along with 8% simple interest (calculated from the date the overpayments were made until the date of settlement). \* Moneyboat should remove any negative information recorded on Mr L's credit file regarding this loan.*
- Alternatively, if any capital balance remains outstanding, then Moneyboat should attempt to arrange an affordable and suitable payment plan with Mr L. Once the balance has been cleared, Moneyboat should remove any negative information recorded on Mr L's credit file regarding this loan.*

*\*HM Revenue & Customs requires Moneyboat to deduct tax from this interest. Moneyboat should give Mr L a certificate showing how much tax it's deducted, if he asks for one.*

I invited both parties to let me have any further comments they wished to make in response to my provisional conclusions.

**Responses to my provisional decision**

Mr L accepted my provisional decision with no further comment.

Moneyboat said that "*whilst it might question some of what [I] said...about the payments that [I] have included in [my] bank statement analysis...[it had] nothing to add.*"

I would like to thank both parties for responding so promptly to my provisional decision. Although the deadline for further submissions set out in my provisional decision has not yet lapsed, I see no reason to delay matters as both parties have now responded. So, in order to bring finality to matters, I will proceed to issue a final 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.

Having reconsidered the available evidence in this complaint – and in the absence of any further submissions or evidence from either party - I see no reason to depart from the findings set out in my provisional decision (above).

This being that, based on the information available, I do not think Moneyboat made a fair lending decision. I say this because I think there were enough indicators in the information Moneyboat gathered at the time it agreed to lend – specifically from the credit file check - to suggest Mr L was having real problems managing his money such that it was likely he would not have been able to sustainably make the repayments for this loan without a real risk of undue difficulty and/or having to borrow further.

I think Moneyboat needs to take steps to put things right. I've set these steps out below.

In reaching this conclusion, I've also considered whether the relationship 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 Mr L in the circumstances of his complaint.

For the reasons I've explained I'm also satisfied that, based on what I've seen, no additional award is appropriate in this case.

### **Putting things right**

It's reasonable for Mr L to have repaid the capital amount that he borrowed as he had the benefit of that money. But he has paid interest and charges on a loan that shouldn't have been given to him. So, he has lost out and Moneyboat must put things right.

Moneyboat should:

- Add up the total amount of money Mr L received as a result of having been given the loan. The repayments Mr L made should be deducted from this amount.
- If this results in Mr L having paid more than he received, then any overpayment should be refunded along with 8% simple interest (calculated from the date the overpayments were made until the date of settlement).\* Moneyboat should remove any negative information recorded on Mr L's credit file regarding this loan.
- Alternatively, if any capital balance remains outstanding, then Moneyboat should attempt to arrange an affordable and suitable payment plan with Mr L. Once the balance has been cleared, Moneyboat should remove any negative information recorded on Mr L's credit file regarding this loan.

\*HM Revenue & Customs requires Moneyboat to deduct tax from this interest. Moneyboat should give Mr L a certificate showing how much tax it's deducted, if he asks for one.

### **My final decision**

For the reasons set out here and in my provisional decision, my final decision is that Mr L's complaint against Evergreen Finance London Limited trading as MoneyBoat.co.uk should be upheld. In order to put things right, Moneyboat should take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 13 February 2026.

Ross Phillips  
**Ombudsman**