

The complaint

Mr M complains that Evergreen Finance London Limited trading as MoneyBoat.co.uk (“MoneyBoat”) gave him loans without carrying out sufficient affordability checks. Had better checks been made it would’ve seen Mr M was using is overdraft, taking other payday loans and was gambling.

What happened

A summary of Mr M’s borrowing can be found in the table below.

loan number	loan amount	agreement date	repayment date	number of monthly instalments	highest repayment per loan
1	£350	26/10/2023	08/11/2023	6	£107.61
2	£400	09/11/2023	30/11/2023	6	£112.96
gap in lending					
3	£700	13/05/2024	01/08/2024	6	£194
4	£1,500	03/10/2024	25/01/2025	6	£442.96

The complaint was considered by an Investigator who didn’t uphold it. Mr M didn’t agree and the case was passed for a decision. I then issued a provisional decision explaining the reasons why I was intending to uphold Mr M’s complaint in part.

Both parties were asked for any further submissions, but these needed to have been received by 4 February 2026.

Mr M responded to say he agreed with the outcome as set out in the provisional decision. Later he said, the adverse information MoneyBoat has reported was impacting his ability to get a mortgage.

MoneyBoat didn’t agree to pay compensation for loans 3 and 4 saying that it believes that the amount worked out for the credit commitment costs for loan 3 – from its credit checks wasn’t quite right. MoneyBoat has said I had overstated Mr M’s indebtedness and it pointed out the following.

- A loan payment of £192 where there credit results suggested Mr M was only making payment of £5,
- A £400 payment where the balance was reducing by £80 per month – on balance this was likely to be the monthly repayment and
- £400 loan – where the repayment amount was the whole sum – this isn’t likely to be accurate – when it’s more likely this repayment would be spread over a number of months.

MoneyBoat also said, for loan 4, there were fewer active accounts and a reduced overall debt.

A copy of the provisional findings follows this in smaller font and forms part of this final decision.

What I said in my provisional decision:

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.

I'm sorry to have read about Mr M's gambling and the impact that it had on him and his finances. But I'm glad to hear that he has sought help and support for this.

MoneyBoat had to assess the lending to check if Mr M 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 have taken into account a number of different things, such as how much was being lent, the size of the repayments, and Mr M'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 Mr M. These factors include:

- *Mr M 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);*
- *Mr M 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);*
- *Mr M 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 Mr M. But I don't consider this applies to Mr M's complaint given the value of the loans and that there were two lending chains with some smaller gaps between loans.

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

I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Mr M's complaint.

Loans 1 and 2

Before these loans were approved, MoneyBoat carried out the same sort of checks. It firstly, asked Mr M for details of his income and this was declared as being between £2,100 and £2,250 per month.

MoneyBoat says the income figures were checked through a third-party report provided by a credit reference agency the results of which suggested that Mr M's declared income was broadly. For the first two loans I'm satisfied that this check was proportionate.

Mr M also declared monthly outgoings of between £1,150 and £600 for these loans. Part of MoneyBoat's affordability process is reviewing the information given to it by Mr M as well as information from its credit search (which I'll come onto discuss below) and / or from the "Common Finance Statement" to possibly adjust the declared expenditure Mr M had provided.

In this case, MoneyBoat made adjustments to Mr M's monthly outgoings for both loans. It increased the declared expenses by £99 for loan one and a further £640 for loan two. This meant for loan one, for its affordability assessment MoneyBoat used the monthly outgoings figure of £1,249 and for loan two of £1,240. Even with the increased expenditure, there was still sufficient disposable income for Mr M to afford his repayment.

I also don't think that would've led to MoneyBoat conducting further checks into Mr M's expenditure because the proportionate checks it did do showed the outgoings were more and so it correctly amended the assessment – this is what I'd have expected it to do have done.

Before each loan was approved MoneyBoat also carried out a credit search and it has provided the results it received from the credit reference agency for each loan. It is worth saying here that although MoneyBoat carried out credit searches, there isn't a regulatory requirement to do one, let alone one to a specific standard.

The credit check results for both loans were similar and as far as I can see there wasn't anything too, concerning and so the results wouldn't have led MoneyBoat to carry out further affordability checks or to have declined his loans.

It knew that Mr M hadn't defaulted on any accounts, he didn't have any County Court Judgements, or any other type of insolvency recorded. There were also no other adverse payment information – such as missed payments or repayment plans.

Overall, there was also nothing else in the information that I've seen that would've led MoneyBoat to believe that it needed to go further with its checks – such as verifying the information Mr M had provided or to have declined his applications.

In this first chain of borrowing as only two loans were granted, I think it was fair and reasonable for MoneyBoat to have believed, based on what I consider to be proportionate checks that Mr M would be in a position to repay these loans.

I've also considered that Mr M has provided copy bank statements which do show that he was spending a significant amount each month on gambling transactions which Mr M therefore says the loans ought to not have been granted had MoneyBoat looked at these statements. But for me to be able to uphold the complaint for this reason, I would have to be satisfied that either MoneyBoat knew about the gambling or would've likely known about it by carrying out a proportionate check.

I'm satisfied MoneyBoat didn't know about Mr M's gambling, but I also don't think it had yet reached the point in the lending relationship where MoneyBoat needed to start verifying the information Mr M was giving it. As such, it wouldn't have asked for or received his bank statements and its only through the bank statements or other forms of verification that the gambling may have been discovered. Taking account of the circumstances of the complaint, it would've been disproportionate for MoneyBoat to have gathered Mr M's bank statements.

I'm therefore intending not to uphold, Mr M's complaint about the lending decisions for these loans.

Loans 3 and 4

There was a break in borrowing of almost six months between Mr M settling loan 2 and returning for loan 3. This break is large enough for MoneyBoat to have in effect treated Mr M as a new customer, so even though loan 3 was the third loan it would've been reasonable for MoneyBoat to have treated this as loan 1 of a new chain. I've also kept in mind when thinking about this chain of lending.

Given the number of loans Mr M was granted which occurred in my view in two separate loan chains I don't think MoneyBoat needed to question Mr M as to why he was taking loans. The requirement for MoneyBoat was to conduct proportionate checks.

MoneyBoat carried out exactly the same sort of checks as it did before loans 1 and 2. Mr M declared income of £2,255 per month. Again, MoneyBoat says these figures were checked with a credit reference agency. This would've been proportionate.

Declared living costs were given by Mr M as £950 for loan 3 and £750 for loan 4. MoneyBoat then considered the outgoings against the credit file and trigger values and having done so it increased his monthly living costs by £297 for loan 3 and £132 per month for loan 4. Even with these adjustments the loans looked affordable.

As before, credit checks were conducted, and the same caveats apply to the results. For loan 3 superficially it looked like Mr M had been able to reduce his debts, and he still didn't have any defaults, missed payments or any other sort of adverse payment information. However, I'm not persuaded in this case that MoneyBoat reacted to the information it was given.

When loan 3 was granted, Mr M already had outstanding loan commitments of £1,684 – across six loans and on top of this he also had buy-now-pay later costs of £170 – so his total credit commitments were already around £1,854 per month. So, there is no way that the monthly credit commitment given to it by Mr M of £650 and the adjustment made by MoneyBoat would've been sufficient to cover the additional credit commitments – which MoneyBoat knew about.

As a result, I don't think MoneyBoat conducted proportionate checks before loan 3 or any other loan bearing in mind the total amount of monthly credit commitments Mr M already had there is an argument that any further borrowing was neither affordable nor sustainable. I've therefore provisionally decided that despite these being the first loans of a new chain that the checks conducted by MoneyBoat weren't proportionate in the circumstances for loans 3 and 4.

For both loans 3 and 4 MoneyBoat ought to have looked more closely into Mr M's circumstances before lending. Although these were the first loans in this chain, I think that MoneyBoat needed to have started to verify the information Mr M had provided. MoneyBoat could've gone about doing this a number of ways – it could've asked for evidence of which bills he had, any other documentation it felt was needed or as I've done here it could've seen his bank statements.

The bank statements are the best indicator of what Mr M's financial position was at the time so I don't think it's unreasonable to consider them. Had further checks been made into Mr M's finances MoneyBoat wouldn't have advanced either loan 3 and 4 because the statements show signs of transfers between his account that led to significant gambling transactions to the extent that Mr M couldn't afford to take on any further borrowing. And seeing this MoneyBoat wouldn't have lent because the borrowing was unsustainable.

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 reviewed what has been provided, I see no reason to depart from the findings that I made in the provisional decision – and which can be found above, and which need to be considered along with the below.

I've explained below that even though I've considered what MoneyBoat has said specifically in relation to the loan 3 credit search results, I'm still satisfied loans 3 and 4 should be upheld.

In relation to the comments made by MoneyBoat in relation to loan 3. I can see that in April 2024 when Mr M opened a new loan the opening balance was £400. The credit search says that the regular payment due was £495. MoneyBoat says this perhaps may have been spread over a number of payments – but there wasn't anything within the credit search that indicated that. Based on the information it was given – the next payment was £495 and that needed to be considered.

I can see the other £400 loan that MoneyBoat pointed out – and while the regular payment while saying £400, the other data shows Mr M was making payments of around £80 per month. So, I do agree here that perhaps Mr M's repayments aren't as high as I initially said. But that doesn't change the outcome that I've reached.

Finally, I've found the other loan that showed a regular repayment of £192 per month. But I also think it's fair to say that this may not have been a loan given the information recorded by the lender shows a revolving balance. In December 2023 he owed over £1,000 but by February 2024 Mr M owed £192. I don't think it's right to say that Mr M's payments to this loan were £5 per month. Instead, it was fair for MoneyBoat to use the amount stipulated in the credit search results.

But an overview of all the credit search data shows payments due on loans was at least £1,364 before the loan payment for loan 3 was added (and his other creditors such as credit cards). That is a significant amount compared to Mr M's income and so for the same reasons in the provisional decision I still think MoneyBoat needed to do further checks.

But to be clear, that even if I'm wrong about the amounts I've calculated and go with MoneyBoat's figures – when it approved loan 3 it still knew that Mr M was committing to spending around 40% of his income on credit commitments before any other costs were considered. And so, it's again arguable whether that is sustainable but at the least further checks were needed.

In relation to loan 4 – while there were fewer debts and an overall balance, I still think further checks were needed given that proportionate checks hadn't been conducted before loan 3 was lent.

Had further and more detailed checks before these loans were approved, would've shown MoneyBoat that the lending wasn't affordable for the same reasons given in the provisional decision. As such, I am still upholding Mr M's complaint about loans 3 and 4 only.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed below results in fair compensation for Mr M 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.

Putting things right

MoneyBoat shouldn't have given Mr M's loans 3 and 4.

- A. It should add together the total of the repayments made by Mr M towards interest, fees and charges on these loans.
- B. MoneyBoat should calculate 8% simple interest* on the individual payments made by Mr M which were considered as part of "A", calculated from the date Mr M originally made the payments, to the date the complaint is settled.
- C. It should pay Mr M the total of "A" plus "B".
- D. MoneyBoat should remove any adverse information you have recorded on Mr M's credit file about loans 3 and 4.

*HM Revenue & Customs requires MoneyBoat to deduct tax from this interest. It should give Mr M a certificate showing how much tax it has deducted, if he asks for one.

My final decision

For the reasons I've explained above and in the provisional decision, I'm upholding Mr M's complaint in part.

Evergreen Finance London Limited trading as MoneyBoat.co.uk should put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 March 2026.

Robert Walker
Ombudsman