

The complaint

Miss B complains that Evergreen Finance London Limited trading as MoneyBoat.co.uk (“MoneyBoat”) lent to her irresponsibly.

What happened

Here is a table giving brief details of the lending.

Loan	Approved	Amount	Repayment/term (rounded)	Repaid
1	13 September 2021	£800	£481 a month x 2	27 October 2021
2	1 November 2021	£1,450	£434 a month x 6	14 January 2021
3	7 February 2022	£1,500	£431 x 6	9 March 2022
4	17 March 2022	£1,500	£458 x 6	3 August 2022
5	15 August 2022	£1,500	£461 x 6	11 October 2022
6	18 October 2022	£1,100	£340 x 6	3 April 2023
7	3 April 2023	£1,500	£457 x 6	26 April 2023
8	1 May 2023	£1,500	£457 x 6	o/s in March 2026

Miss B has confirmed that she still owes £1,192 on Loan 8. The old Statement of Account I have showed that Miss B has paid £1,808 up to November 2023. I asked MoneyBoat for an up to date summary of the Loan 8 account status but have not received it.

After Miss B had received the final response letter (FRL) from MoneyBoat and had referred her complaint to the Financial Ombudsman Service, one of our investigators thought that MoneyBoat ought not to have approved Loans 2 to 8.

Miss B accepted that outcome. MoneyBoat accepted the outcome for Loans 2 and 8, but it disagreed about the others. So, the disputed loans are Loans 3 to 7 inclusive.

The unresolved complaint was passed to me to decide. I chose to issue a provisional decision as the reasoning for my upholding loans 2 to 8 differ. What follows is a duplicate of that provisional decision giving my reasoning but the redress section has been fine-tuned and so that part in the provisional decision has not been duplicated here.

What I provisionally decided on 10 March 2026 – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. MoneyBoat needed to make sure that it didn't lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Miss B before providing it.

Our website sets out what we typically think about when deciding whether a lender's checks

were proportionate. And I've used this approach to help me decide her complaint. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship. But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggesting the lender needed to know more about a prospective borrower's ability to repay. There may come a time when the number of loans approved can be considered repetitive, unsustainable and harmful to the consumer. I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Miss B's complaint. The disputed loans are Loans 3 to 7 inclusive.

Loans 3 to 5 inclusive

Miss B's income was declared as being around £1,758 a month at Loan 3 – an increase of £370 a month in net pay since Loan 2 which had been applied for only three months before. It's feasible that Miss B's net pay had increased that much in such a short time but I've seen no evidence of any verification of income even though MoneyBoat has told us it used a CRA (credit reference agency) service. And my concerns surrounding Miss B's income continue as it appears to increase rapidly as she applies for Loan 4 to 7 inclusive and then drops significantly to £1,400 a month at Loan 8. However, for the purposes of this decision I have used those figures provided as being verified income.

In relation to Miss B's regular expenditure MoneyBoat's explanation to us as part of this complaint investigation has been that the figures set out in its table in the FRL (which both parties have and so are not duplicated here) are Miss B's declared sums. Plus, the column labelled 'expenses increased by' have been 'adjusted based on CRA information and/or cost of living data (eg common financial statement)'.

But I am not satisfied that was the case at all as I have reviewed the credit research carried out by MoneyBoat before each lending decision. And I use Loan 3 as an example to illustrate that Miss B was overindebted as she already had multiple loans to pay down each month.

MoneyBoat carried out a credit search, and I have reviewed the results for Loan 3. Miss B had £31,220 of outstanding overall debt of which a portion was a hire purchase (HP) agreement. Her credit card/revolving credit balance was £2,260 and Miss B had an overall limit of £2,350. She'd had a default in 2016 and I'd not consider that would have been a concern to a lender such as MoneyBoat as it is used to lending to applicants with some adverse credit data. Plus, this was several years old and had been settled.

The main point to note is that Miss B had a lot to pay out each month to sustain her existing credit commitments even before adding in the cost of the new Loan 3 MoneyBoat instalments.

I added up the figures. For the HP she was paying £255 per month. For her credit cards at 3% minimum monthly repayment then she likely was due to repay around £68 a month. And for the outstanding loans Miss B had, the total cost was: £574 each month. Add in the HP plus the revolving credit minimum repayment that all adds up to £897. That's 51% of her take home pay at Loan 3 assuming that was her correct income figure.

If the Loan 3 repayment was added in as well (£431 a month) then the total would be £1,328 which would be 76% of her take home pay required to be spent solely on credit commitments. Thus was an unacceptably high level before any other living costs were considered.

It's clear from MoneyBoat's own research and facts available to it that Miss B was taking high cost instalment loans to pay down all her other credit commitments which is a sign of financial difficulties.

At Loan 4 the MoneyBoat credit search revealed the same save that her revolving credit limit had increased and so had her balance. Her monthly minimum repayment had increased to around £93 on a 3% calculation. Miss B's credit commitment costs when she applied for Loan 4 were similar but a little higher than at Loan 3 – this time £922 a month. Add in the higher MoneyBoat monthly costs for Loan 4 (£458) and she would have been committed to £1,380 a month. Her declared and apparently verified income had reduced to £1,684 and so her credit commitment costs would have been 81% of her take home pay and unacceptable. Miss B was continuing to use credit to pay off other debts which is seen as a classic sign of financial difficulties and I consider that the information MoneyBoat had from its own research was enough to demonstrate Miss B was overindebted.

At Loan 5 MoneyBoat's credit search report reveals that in March 2022, Miss B had taken a new bank loan of over £8,800 costing her £253 a month. No other loans had been paid off. Miss B's revolving credit limit and balances had increased again. So, her credit commitment costs had increased even more, before the new Loan 5 monthly costs (£461) had been factored into the equation. Miss B continued to be overindebted and Loan 5 ought not to have been approved.

I plan to uphold the complaint about Loans 3 to 5 inclusive. Our investigator had already upheld Loan 2 which had been accepted by MoneyBoat.

Loans 6 to 8 inclusive

Borrowing consecutively for many months and without any breaks highlights the fact that Miss B was likely to be having trouble making ends meet. And I have demonstrated in the previous parts of this provisional decision that Miss B was overindebted. I have considered the points made by MoneyBoat but they do not persuade me otherwise.

I haven't recreated individual, proportionate affordability checks for loans 6 to 8 because I don't think that it is necessary to do so. I know that MoneyBoat has conceded in relation to Loan 8 but the basis for the uphold in this provisional decision differs and the redress I'd expect MoneyBoat to carry out differs. So, I've included Loan 8 here.

I've looked at the overall pattern of MoneyBoat's lending history with Miss B, with a view to seeing if there was a point at which it should reasonably have seen that further lending was unsustainable, or otherwise harmful. And so MoneyBoat should have realised that it shouldn't have provided any further loans. Given the particular circumstances of Miss B's case, I think that this point was reached by loan 6. I say this because:

- At this point she had been indebted to MoneyBoat for over a year; and
- Miss B's second loan was for £1,450 and loan 5 was for £1,500, so the amounts had remained fairly constant; and
- From loan 3 onwards Miss B was provided with a new loan a very short time after she settled her previous loan; and
- Miss B wasn't making any real inroads to the amount she owed MoneyBoat. Miss B had paid large amounts of interest to, in effect, service a debt to MoneyBoat over the year; and
- At this point – Loan 6 - MoneyBoat ought to have known that Miss B was likely borrowing to meet an ongoing and increasing need. And this indicated her problems may have been worsening; and
- because of these factors, MoneyBoat ought to have realised it was more likely than not Miss B's indebtedness was unsustainable.

I appreciate that MoneyBoat considers that the checks it did were enough to show the lending was affordable. But I think the evidence covering loans 3 to 5 plus the lending pattern itself shows that when she approached it for Loan 6 the loans weren't sustainable. I think that Miss B lost out because MoneyBoat provided loans 6 to 8:

- these loans had the effect of unfairly prolonging her indebtedness by allowing her

to take expensive credit over an extended period.

- The number of loans and the length of time over which Miss B borrowed was likely to have had negative implications on her ability to access mainstream credit and so kept her in the market for these high-cost loans.

So, in addition to upholding the complaint for Loans 3 to 5 inclusive for the reasons I gave earlier in this provisional decision, I'm upholding the complaint about loan 6 to 8 on the basis of repetitive lending as it was unsustainable and likely would have caused Miss B harm, and MoneyBoat should put things right in the following ways.

This is the end of the duplicated provisional decision (excluding the redress paragraphs).

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.

Both parties have accepted my reasoning and outcome in my provisional decision. And so there's no reason for me to alter the outcome.

I uphold Miss B's complaint about Loans 2 to 8 for all the reasons given in my provisional decision, duplicated above and repeated here as part of the final determination.

Putting things right

MoneyBoat shouldn't have given Miss B Loans 2 to 5 or Loans 6 to 8.

Loan 2 and Loan 8 have already been accepted as 'uphold outcomes' by MoneyBoat. For completeness I set out here what should happen for Loans 2 to 8.

Loan 8 remains outstanding. The old Statement of Account I have for all the loans shows that on Loan 8, up to 24 November 2023 Miss B had repaid four of the agreed six instalments. Miss B has said she was paying at £100 a month for a while but has not made any recent payments. Miss B says she still owes around £1,192 on Loan 8 but I've no other details.

If MoneyBoat has sold the outstanding debt (Loan 8) it should buy it back if it can and then take the following steps. If MoneyBoat can't buy the debt back then it should liaise with the new debt owner to achieve the results outlined below.

- A. MoneyBoat should add together the total of the repayments made by Miss B towards interest, fees and charges on loans 2 to 7 as these have been paid off.
- B. It should calculate 8% simple annual interest* on the individual payments made by Miss B which were considered as part of "A", calculated from the date Miss B originally made the payments, to the date the complaint is settled.
- C. MoneyBoat should then remove all interest, fees and charges from the balance of Loan 8 and treat any repayments made by Miss B as though they had been repayments of the principal.

If this results in Miss B having made overpayments then MoneyBoat should refund these overpayments with 8% simple annual interest* calculated on the overpayments, from the date the overpayments would have arisen, to the date the complaint is settled. MoneyBoat should then refund the amounts calculated in "A" and "B" and move to step "E".

D. There is still an outstanding balance due on Loan 8 so the amounts calculated in “A” and “B” should be used to repay any balance remaining on the loan (less the interest and charges including any third party charges if applicable) – the set-off.

If this results in a surplus, then the surplus should be paid to Miss B with 8% simple interest*. However, if there is still an outstanding balance then MoneyBoat should try to agree an affordable repayment plan with Miss B and I would remind it of its obligation to treat Miss B fairly and with forbearance.

E. For Loans 2 to 5 inclusive any adverse data should be removed from Miss B’s credit file if there is any.

But the overall pattern of Miss B’s borrowing for loan 6 onwards means any information recorded about loans 6 to 8 are adverse. These loans should be removed entirely from Miss B’s credit file. As for Loan 8 that will have to be done as and when the loan has been paid off whether through set-off or repayment plan.

I’ve considered whether the relationship between Miss B and MoneyBoat might have been unfair under s.140A of the Consumer Credit Act 1974. However, I’m satisfied the redress I have directed should be carried out for Miss B results in fair compensation for her 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.

*HM Revenue & Customs usually requires MoneyBoat to deduct tax from this interest. MoneyBoat should give Miss B a certificate showing how much tax it has deducted, if she asks for one.

My final decision

My decision is that I uphold the complaint about Loans 2 to 8 inclusive and I direct that Evergreen Finance London Limited trading as MoneyBoat.co.uk does as I have directed in the ‘putting things right’ part of the decision.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss B to accept or reject my decision before 20 April 2026.

Rachael Williams
Ombudsman