

The complaint

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

What happened

The facts of this case are familiar to both sides. With that being the case, I won't provide a detailed background here. Instead, I'll provide a brief summary.

MoneyBoat provided Mr E with a single loan in February 2023. The loan was for £750 and it was due to be repaid through five monthly repayments of £224.20, following by a sixth monthly instalment of £224.11. The total amount to be repaid by the end of the loan term, including interest, was £1,345.11.

In January 2026, Mr E complained to MoneyBoat about its decision to lend. In doing so Mr E said, amongst other things, that MoneyBoat failed to conduct appropriate affordability checks prior to granting the loan and, if it had done, it would have seen that the repayments were unaffordable for him.

In February 2026, MoneyBoat issued its final response in which it did not uphold the complaint. In short, MoneyBoat said it conducted reasonable and proportionate checks prior to agreeing to lend and the output from those checks did not give it cause to refuse to lend.

Unhappy with this, Mr E referred his complaint to our service.

One of our investigators reviewed Mr E's complaint and, having done so, issued their opinion in February 2026. In short, our investigator thought that MoneyBoat gathered sufficient information prior to agreeing to lend and, based on the information it obtained, it was not wrong to lend.

Mr E did not agree with our investigator and, as an agreement couldn't be reached, the complaint has been passed to me to review afresh.

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.

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. I won't set these out in detail here, but the Financial Ombudsman Service has set out its general approach to complaints about irresponsible and unaffordable lending on its website.

And, having taken all of this into account along with everything else I need to consider, I do not think this complaint should be upheld. I know this will come as a disappointment to Mr E, but I'll explain why I think this is a fair outcome in the circumstances.

However, before I do, I'm aware that I've summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've based my decision on the balance of probabilities.

As I've said, the Financial Ombudsman Service has set out its general approach to complaints about irresponsible and unaffordable lending on its website. In essence, 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 E 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 E 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 E responsibly using the information it had?

Or

- ii. If MoneyBoat didn't carry out such checks, would appropriate checks have demonstrated that Mr E was unlikely to have been able to repay the borrowing in a sustainable 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 E was applying for along with the size, length and cost of the borrowing; and
- Mr E'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.

Did MoneyBoat carry out reasonable and proportionate checks?

Prior to agreeing to lend, Mr E was asked to provide details of his net monthly income, which he declared as being £1,500.

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.”*

And CONC 5.2A.16(3) says: *“...it is not generally sufficient to rely solely on a statement of current income made by the customer without independent evidence (for example, in the form of information supplied by a credit reference agency or documentation of a third party supplied by the third party or by the customer).”*

In this case, MoneyBoat says the declared income figure was checked by cross referencing information through a third-party report provided by a credit reference agency. The results from this suggested the figure Mr E had declared was likely to be accurate. This is an acceptable industry-standard way of assessing income. And in the circumstances of this case, I think it was reasonable for MoneyBoat to rely on this information.

Mr E was also asked for details of his monthly expenditure, which included asking for how much he paid to rent, credit commitments, food, transport and other spending. Mr E declared his monthly outgoings totalled £200.

CONC 5.2A.19(G)(1) says: *“For the purpose of considering the customer’s non-discretionary expenditure...the firm may take into account statistical data unless it knows or has reasonable cause to suspect that the customer’s non-discretionary expenditure is significantly higher than that described in the data or that the data are unlikely to be reasonably representative of the customer’s situation”.*

As part of the application, MoneyBoat used information from its credit search (which I’ll come on to discuss below) and/or used information from the “Common Financial Statement”. Having done so, it made an upward adjustment to Mr E’s declared outgoings. It increased this figure by £650 to a total of £850. So, based on the information MoneyBoat obtained, it could see Mr E had sufficient disposable income to afford his repayments.

Mr E contends that MoneyBoat ought to have verified his actual financial position, rather than rely on ‘theoretical modelling’. Whilst I understand Mr E’s point, I don’t think MoneyBoat were required to conduct more thorough checks in this instance. I haven’t seen anything in the information MoneyBoat had available to it which suggested that statistical data was unlikely to be broadly representative of Mr E’s non-discretionary expenditure. So, I’m satisfied MoneyBoat acted fairly when it relied on this during its affordability assessment.

This was not a particularly large loan and, what's more, this appears to have been Mr E's first loan with MoneyBoat. As such, I don't think there was any established pattern in his borrowing needs, at least from MoneyBoat, at that stage. With all of this in mind, whilst I recognise Mr E disagrees, I think MoneyBoat proceeded with a proportionate amount of information. However, as I've said before, once MoneyBoat had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Mr E could afford to meet the loan repayments in a sustainable way over the term of the loan.

Did MoneyBoat lend to Mr E responsibly using the information it had?

Using the information MoneyBoat gathered about Mr E's income against what it gathered about his existing credit commitments, as well as what Mr E declared about his expenditure, it looked like he had £650 in disposable income per month. So, MoneyBoat was satisfied that the loan repayments (£224.20) should've been affordable for Mr E on a simple pounds and pence basis.

The loan payments being affordable on a pounds and pence basis might be an indication a consumer could sustainably make their repayments. But it doesn't automatically follow this is the case. This is because the relevant regulations define sustainable as being without undue difficulties and in particular the customer should be able to make repayments on time, while meeting other reasonable commitments; as well as without having to borrow to meet the repayments. And it follows that a lender should realise, or it ought fairly and reasonably to realise, that a borrower won't be able to make their repayments sustainably if they're unlikely to be able to make their repayments without borrowing further.

As I've said, MoneyBoat also carried out a credit check prior to granting the loan and it has provided the results. So, I've turned to look at what this check revealed.

The report also indicated that Mr E had total debt of around £430 spread across five active accounts at the time. This included one credit card, one loan, two current accounts seemingly with no overdraft facility and a mail order account with zero balance. I note the loan only had an outstanding balance of £33 and looks like it was due to be settled very soon.

So, I don't think Mr E's overall indebtedness (particularly relative to what MoneyBoat understood to be his income) ought to have given it cause for concern.

The results also provided no indication of any insolvencies or any other public records – such as County Court Judgments – about which MoneyBoat had been informed. Similarly, the results show no indication of active or recent arrears or any other payment problems with his existing credit commitments.

I can, however, see that Mr E was very close to the limit of the credit card account and exceeded the credit limit at times in the six months prior to lending, albeit by just a few pounds. Nonetheless I accept that this may point to financial difficulties. But here I note the account was brought back within limit and had been for the two months prior to the lending in question. And, as I've said, there was no evidence of missed payments or arrears on the account. With this being the case – and noting there was, in my view, nothing else in the credit report which pointed towards financial hardship – I don't think this in and of itself ought to have given MoneyBoat cause to make more searching enquiries or otherwise refuse to lend.

I understand Mr E's financial situation may have been worse than the information MoneyBoat gathered at the time suggested. And, as a result, Mr E began to experience problems meeting the repayments soon after the loan was incepted. I accept that a more

forensic analysis of Mr E's financial situation – such as a granular review of his bank statements from the time or similar – may have revealed some of the difficulties Mr E says he was having at the time. However, for the reasons I've explained, I think MoneyBoat carried out proportionate checks and it relied, reasonably in my view, on the information it gathered. And given the size of Mr E's monthly repayments, I don't think it was unreasonable of MoneyBoat to grant the loans in question with all of that being the case.

In summary, keeping in mind the size and duration of the lending in question, I think MoneyBoat carried out reasonable and proportionate checks prior to agreeing to lend. And I don't think there was sufficient information within the checks MoneyBoat carried out that ought to have alerted it to the possibility that Mr E would struggle to afford the monthly repayments over the term of the loans in question.

Did MoneyBoat act unfairly or unreasonably in some other way?

As I understand it, in his complaint to MoneyBoat, Mr E complained about the interest and charges applied to the account. I can not see that this complaint point has been included in Mr E's submissions to our service. With that being the case, I have not commented on that matter in this decision.

In determining this matter, I've also considered whether MoneyBoat acted unfairly or unreasonably in some other way given what Mr E has complained about, including whether their relationship with him might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think MoneyBoat lent irresponsibly to Mr E or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here. With that being the case, whilst I understand this will come as a disappointment to Mr E, I do not uphold this complaint.

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As I set out at the beginning of this decision, it is my understanding that there remains an outstanding balance in relation to this loan. If that is the case, I would remind MoneyBoat of its regulatory obligation to treat Mr E fairly and with forbearance moving forwards.

My final decision

For the reasons I've outlined above, I do not uphold Mr E's complaint about Evergreen Finance London Limited trading as MoneyBoat.co.uk.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 29 April 2026.

Ross Phillips
Ombudsman