

The complaint

Mr W complains that Evergreen Finance London Limited trading as MoneyBoat.co.uk (“MoneyBoat”) provided him with loans without carrying out sufficient affordability checks.

What happened

A summary of Mr W’s borrowing can be found below.

loan number	loan amount	agreement date	repayment date	number of monthly instalments	largest repayment per loan
1	£800	05/10/2024	20/03/2025	6	£223.58
break in lending relationship					
2	£500	12/01/2026	outstanding	5	£155.61

MoneyBoat considered the complaint and concluded it had made proportionate checks. Mr W then referred the complaint to the Financial Ombudsman. The complaint was then considered by an Investigator, and they didn’t uphold it. Mr W didn’t agree and in summary said.

- Mr W’s PCP car agreement was costing him £450 per month on top of this he had credit cards, unsecured borrowing and he was reliant on his overdraft.
- The lack of missed payments or defaults doesn’t mean the loans were affordable.
- Given the amount of existing borrowing MoneyBoat ought to have verified his income and expenditure.
- Too much weight has been placed on modelled expenditure and didn’t fully consider Mr W’s wider financial strain.
- Mr W said his overdraft interest has been refunded which shows his financial position wasn’t stable.
- These factors ought to have prompted further checks into Mr W’s finances.
- Mr W has had other cases resolved in his favour both through the Financial Ombudsman and directly with lenders.

These comments didn’t change the Investigator’s mind and as no agreement could be reached the complaint has been passed to an Ombudsman.

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.

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.

MoneyBoat had to assess the lending to check if Mr W 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 W'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 W. These factors include:

- Mr W 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 W 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 W 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 W. The Investigator didn't consider this applied to Mr W's complaint as there was only two loans in two chains and I would agree.

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

Mr W has said that he has had other complaints upheld in favour both through the Financial Ombudsman and directly with the lenders. So, I think the inference Mr W is drawing is that because these complaints have been upheld for unaffordable lending that it therefore follows this complaint should also be upheld.

But my role is to consider the individual circumstances of the complaint taking account of any relevant law and regulation. What that does mean is that there are times when what appear to be similar circumstances can lead to different outcomes depending on the type and nature of the borrowing and the types of check(s) any lender may have carried out and what those checks show.

In short, another outcome doesn't set a precedent that I'm bound to follow. I'm satisfied in this case, I've fully considered the information Mr W gave to MoneyBoat as well as the checks it conducted, what those checks showed as well as accounting for the break in the borrowing relationship.

As I've said above, there was a break in the borrowing relationship, and this is important to acknowledge because it does impact the checks MoneyBoat may have conducted. The break, between Mr W's two loans does in effect restart the lending relationship. So, when Mr W approached MoneyBoat for his second loan it wasn't unreasonable for MoneyBoat to have treated him in a similar way to a new consumer and this does have implications for what a proportionate check may be and what it may show MoneyBoat. I've kept this break in mind when thinking about what happened.

Given the break in lending, I also think it's fair to say that MoneyBoat carried out the same sort of checks before both loans were granted.

Mr W declared a monthly income of £3,280 for loan 1 and £3,500 for loan 2. However, MoneyBoat didn't just rely on what Mr W told it. MoneyBoat cross checked Mr W's income with a tool provided by the credit reference agency to check the accuracy of his declaration. No adjustments were made so MoneyBoat was content to rely on the figures provided. For two loans, where they are both the first of a new chain, I'm satisfied the check into Mr W's income was proportionate.

MoneyBoat also asked Mr W a number of questions about his day to day living costs including his credit commitments and Mr W told MoneyBoat these costs were £1,600 per month for loan 1 and £1,100 for loan 2.

As with the income, I can see that MoneyBoat didn't just accept what Mr W declared, instead it cross checked this information with both the results of the credit check (which I'll come on to below) as well statistical data in relation to the cost of living. The use of statistical data is permitted by the regulator when looking at what Mr W's monthly living costs may have been – so I don't think there was anything unusual in that or wrong to have used the statistical cross checking in the circumstances of this complaint.

MoneyBoat increased Mr W's total monthly outgoings for both loans – which is what I'd expect it to do if it received information that Mr W's outgoings may have been greater than what he declared. His monthly outgoings for loan 1 were set at £2,687 and £2,193 for loan 2.

I have considered that Mr W's outgoings that were used for the affordability assessment were smaller at loan 2 than loan 1 – but given the break in borrowing there was sufficient time for Mr W's circumstances to have changed – for example he didn't have as much as debt at loan 2 – which would've fed into his total monthly outgoings.

MoneyBoat also carried out credit searches before each loan was approved, and I've considered the results it received to see whether there any indicators that Mr W was having, or likely having, current financial difficulties.

Having looked at the results I don't think there was anything in the way that Mr W was managing his existing creditors to have given MoneyBoat cause for concern. As such, the credit checks wouldn't have led MoneyBoat to have either carried out further checks or to have declined the application.

The credit checks showed no defaults, missed payments or insolvencies on Mr W's active accounts. Mr W has said the lack of this information doesn't mean the loans were affordable for him. I do agree with this – to an extent. It's perfectly possible for a consumer to be struggling while keeping on top of the payments.

But, in the circumstances of this complaint given that two loans were granted in two separate chains and the results of the other checks MoneyBoat did I think it would've been fair and reasonable to conclude that while Mr W did have a not insignificant amount of debt he still nonetheless had enough disposable income to afford the loans.

While I can see that Mr W was at times using his overdraft on up to two current accounts but that isn't enough for me to say that he was having or likely having financial difficulties to the extent that MoneyBoat ought to have led it to decline the applications.

Overall, based on all of the information Mr W provided to it and the results of its own checks – which showed he had sufficient disposable income to afford the repayments – without the need to verify it further than it did. This means I don't think MoneyBoat needed to have

reviewed Mr W's bank statements – in my view doing so would've been disproportionate to the circumstances of the application.

Finally, I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think MoneyBoat lent irresponsibly to Mr W or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

An outstanding balance remains due, so Mr W may wish to contact MoneyBoat to see what help and support it can offer. But I would remind MoneyBoat of its obligation to treat Mr W fairly and with forbearance.

My final decision

For the reasons I've explained above, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 May 2026.

Robert Walker
Ombudsman