

complaint

Mr W complains that Evergreen Finance London Limited (trading as Moneyboat) gave him loans that he couldn't afford to repay.

background

Mr W was given three loans by Moneyboat between April 2016 and April 2017. Each of his loans was repayable in six monthly instalments, and all were fully repaid on, or before, the due date. A summary of Mr W's borrowing from Moneyboat is as follows;

Loan Number	Borrowing Date	Repayment Date	Loan Amount	Monthly Repayment
1	06/04/2016	28/09/2016	£ 200	£ 58.91
2	10/10/2016	31/03/2017	£ 400	£ 111.38
3	04/04/2017	16/06/2017	£ 500	£ 151.07

Mr W's complaint has been assessed by one of our adjudicators. He thought that the checks Moneyboat had done before each loan had been proportionate. And that those checks suggested that Mr W could afford to meet his repayments. So he didn't recommend that the complaint should be upheld.

Mr W didn't agree with that assessment. So he has asked, as he is perfectly entitled to, that the complaint be decided by an ombudsman.

my findings

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 taken into account the law, any relevant regulatory rules and good industry practice at the time the loans were offered.

Moneyboat was required to lend responsibly. It needed to make checks to see whether Mr W could afford to pay back each loan before it lent to him. Those checks needed to be proportionate to things such as the amount Mr W was borrowing, and his lending history, but there was no set list of checks Moneyboat had to do.

Moneyboat has told us about the checks it did before lending to Mr W. It asked him for details of his income, and normal monthly expenditure. It then checked these details against his credit file, and as it thought he hadn't declared sufficient expenditure, decreased the amount of disposable income it used in its assessment.

The amounts that Mr W needed to repay each month were relatively modest compared with the monthly income that he declared to Moneyboat – that ranged from £2,200 to £2,450. And even after Moneyboat had decreased his disposable income, the lowest value it used in its assessment was over £800. So the repayments appeared to be easily affordable too. Mr W managed his loans well. He made his repayments on time and as planned. So his loans from Moneyboat were well spaced out.

Given all of the above I think that it was reasonable for Moneyboat to make its assessment on the affordability of the loans based on the information Mr W had provided. I think that the

checks it did were proportionate and that it had no reason to think that Mr W was facing any financial problems.

I appreciate that Mr W says his financial situation was much worse, that he was borrowing from several other short term lenders, and that he was spending much of his money on a gambling addiction. But this wasn't something he shared with the lender at that time, or something that proportionate checks would have uncovered. So I don't think Moneyboat did anything wrong in giving these three loans to Mr W.

my final decision

For the reasons given above, I don't uphold the complaint or make any award against Evergreen Finance London Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 April 2018.

Paul Reilly
ombudsman