

The complaint

Mrs K complains that Gain Credit LLC trading as Drafty (“Drafty”) didn’t fully explain the terms of a line of credit it provided her especially in relation to the interest rates and the total amount payable. Mrs K has also complained that Drafty were irresponsible in giving her the loan but that is subject to a separate complaint as this wasn’t raised to Drafty. In this decision, I will just be covering the communication aspect.

What happened

Mrs K was granted a running credit facility by Drafty on 22 December 2023. This was for £1,000 and the limit never increased.

Mrs K was given a running credit account where she could either request funds up to her agreed credit limit in one go or could take multiple drawdowns up to the limit. She was also able to borrow further, up to the credit limit, as and when she repaid what she owed.

Mrs K drew down the entire credit limit once it was approved and continued to make repayments and further drawdowns up until February 2025. There is currently an outstanding debt.

In May 2025, Mrs K complained to Drafty that it had failed to explain the terms of the loan properly especially relating to the interest rates and total amount repayable before granting the facility and she was struggling financially.

Following Mrs K’s complaint, Drafty wrote to her in a final response letter on 1 April 2024 and explained it wasn’t upholding the complaint. Drafty explained how the facility worked and interest charged and also the impact of making minimum repayments. Drafty also offered Mrs K the option of taking out a repayment plan for the outstanding debt. Unhappy with this response, Mrs K referred the complaint to us in April 2025.

Our investigator thought that Drafty hadn’t acted unfairly and had provided information about the facility in a clear and timely manner and didn’t uphold Mrs K’s complaint.

Mrs K didn’t agree with the outcome and as no agreement could be reached, Mrs K’s complaint has been passed to me to decide.

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 looked at everything I’ve decided to not uphold Mrs K’s complaint for broadly the same reasons as the investigator and I’ve explained why below.

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 to base my decision on the balance of probabilities.

What happened when Drafty approved the facility

Mrs K wasn't given a payday loan but provided with a facility where there was an expectation that she'd repay what she borrowed plus the interest due within a reasonable period. What constitutes a reasonable period is laid out in the regulations but it's important to note that this will always be dependent on the circumstances of the individual case.

Mrs K was granted a facility with a £1,000 credit limit. In the credit agreement, a hypothetical situation is laid out to show the potential cost of the facility to Mrs K. This hypothetical situation assumed Mrs K did the following:

1. drew down her maximum credit limit on the first day of the facility being provided,
2. she kept to the terms of the agreement, and
3. Mrs K repaid what she owed in 12 monthly instalments.

Had Mrs K done that, she'd have repaid Drafty a total of £1,375 meaning twelve monthly repayments of around £114 and with a minimum monthly repayment of £50 (although this would extend the repayment period beyond 12 months if minimum repayments were maintained).

Mrs K has complained that Drafty didn't explain how the facility worked and it wasn't clear how much interest she would pay or how long it would take to repay the facility if only minimum repayments were made.

Mrs K's complaint and Consumer Duty

The Consumer Duty is a regulatory requirement made up of rules and guidance regarding how businesses should treat consumers introduced by the Financial Conduct Authority (FCA) in July 2023. As Mrs K's complaint relates to a lending decision made on 22 December 2023, Consumer Duty is applicable to her complaint and I've considered this in making my final decision here.

Consumers are expected to take responsibility for the decisions they make about products and services. To do this, businesses must give them the information they need, at the right time and presented in a way they can understand. That way they can make informed decisions. So businesses need to communicate in a way which is clear, fair and not misleading and also in a manner that is suitable for that particular consumer, taking into consideration any vulnerabilities the consumer may have.

I've looked at the information that was provided to Mrs K before the lending decision was made consisting of the credit agreement, an explanation sheet and a pre-contract

information sheet. Within these documents, it clearly explains how much the facility would cost, how the facility worked and the interest rates it would charge. It also explains the implications in only paying the minimum amount each month.

As our investigator explained, as Mrs K was applying for a revolving credit account, Drafty couldn't give Mrs K the long term cost of the facility or exactly what the monthly repayments would be as this was dependent on how much Mrs K borrowed from the facility. But in providing Mrs K a statement of account each month Drafty were able to explain the amount of credit Mrs K had used each month, how much the interest was and the minimum repayment required.

When Mrs K complained to Drafty and also let it know she was experiencing financial difficulty, Drafty offered Mrs K the option of a repayment plan. So I think Drafty showed forbearance and due consideration when it offered the repayment plan and this is commensurate with part of the Consumer Duty that expects businesses to offer helpful customer support to deal with things such as financial difficulty throughout the lifetime of a product.

And Drafty had a legal responsibility to accurately report to credit reference agencies how consumers manage their credit and to report any defaults. So I can't say Drafty did anything wrong when it did this in Mrs K's case.

On balance, I'm satisfied that Drafty provided Mrs K with clear information which wasn't misleading in relation to the facility it was offering and so I don't uphold this complaint.

I appreciate that this will be disappointing for Mrs K and I'm sorry to hear of her financial difficulties which I hope improves. Although I'm not upholding this complaint, I'd like to remind Drafty of its ongoing responsibility to treat Mrs K with due consideration and forbearance in relation to the outstanding debt.

My final decision

For the reasons given above, I'm not upholding Mrs K's complaint against Gain Credit LLC trading as Drafty.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 12 November 2025.

Paul Hamber
Ombudsman