

The complaint

Mrs W complains that Gain Credit LLC trading as Drafty (“Drafty”) gave her a line of credit without carrying out sufficient affordability checks.

What happened

Mrs W was granted a running credit facility in November 2024. This facility initially had a £2,000 credit limit, which Drafty decreased to £1,150 in June 2025. As of September 2025, an outstanding balance remains due.

Mrs W was given a running credit facility 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. To be clear, Mrs W wasn’t given a loan.

In Drafty’s final response letter issued in September 2025, it explained why it wasn’t going to uphold the complaint. Unhappy with this, Mrs W referred the complaint to the Financial Ombudsman, where it was considered by an Investigator. The Investigator didn’t uphold the complaint and Mrs W didn’t agree.

As no agreement could be reached, Mrs W’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.

I’ve also taken into account the law, any relevant regulatory rules and good industry practice at the relevant time. Drafty had to take proportionate steps to ensure a consumer would’ve been able to repay what they were borrowing in a sustainable manner without it adversely impacting on their financial situation. Put simply the lender had to gather enough information so that it could make an informed decision on the lending.

Although the guidance didn’t set out compulsory checks it did list a number of things Drafty could take into account before agreeing to lend. The key thing was that it required the checks to be proportionate.

Any checks had to take into account a number of different things, such as how much was being lent and when what was being borrowed was due to be repaid. I’ve kept all of this in mind when thinking about whether Drafty did what it needed to before agreeing to Mrs W’s Drafty facility.

As explained, Mrs W was given an open-ended credit facility. Overall, I think that means the checks Drafty carried out had to provide enough for it to be able to understand whether Mrs W would be able to both service and then repay her facility within a reasonable period of time. Drafty also needed to monitor Mrs W’s repayment record for any sign that she may have been experiencing financial difficulties.

What happened when Drafty approved the facility

Mrs W was given a facility where there was an expectation she'd repay what she borrowed plus the interest due within a reasonable period. Mrs W was granted a facility with a £2,000 credit limit. In the credit agreement, a hypothetical situation is laid out to show the potential cost of the facility to Mrs W. This hypothetical situation assumed that Mrs W did the following:

1. drew down the maximum credit limit on the first day of the facility being provided,
2. kept to the terms of the agreement, and
3. repaid the balance within 12 monthly instalments.

Had Mrs W done that, she'd have repaid Drafty a total of £2,751.29 meaning twelve monthly repayments of around £230. So, in these circumstances, I think Drafty needed to carry out reasonable and proportionate checks to understand whether Mrs W could make monthly repayments of around £230 per month.

Drafty says it agreed to Mrs W's application after she'd provided details of her monthly income and expenditure and it carried out a credit check. Mrs W declared she received an income of just over £5,000 per month.

Drafty says this was independently checked with a third party and following this check it decreased Mrs W's income to £4,500 per month. I think it was fair for the start of the relationship to have relied on not only what Mrs W told it but also the results of its check.

Drafty also carried out a credit check with one of the credit reference agencies before the facility was granted. Drafty was told there was no adverse payment information such as defaults or recent delinquent accounts. The credit check data didn't indicate Mrs W was having problems managing these existing creditors. There wasn't anything solely from the credit checks to indicate Drafty ought to have carried out further checks or to have declined Mrs W's application.

In addition, Mrs W had declared that her monthly outgoings came to £1,000 per month. Drafty says it checked Mrs W's information from party sources. After this check Drafty calculated Mrs W's monthly outgoings came to £1,716 along with £1,010 per month of existing credit commitments. Taking her total monthly outgoings to £2,727. Drafty calculated that Mrs W had sufficient disposable income to afford to repay and service the facility – which given everything it had asked for and seen seems a reasonable conclusion to draw.

Overall, I'm satisfied for a facility with a £2,000 credit limit the checks Drafty did were proportionate and showed it Mrs W would be able to afford her credit facility. I am not upholding Mrs W's complaint about Drafty's decision to provide the credit facility.

The credit limit decrease

Drafty decreased Mrs W's credit limit in June 2025, it hasn't provided any explanation as to why it did this. But ultimately, it did do and reduced the maximum amount Mrs W could borrow. At the time of the decrease, Mrs W's balance was above the new credit limit and looking at the statement of account, I can see that Drafty didn't charge any additional fees as a result of this.

And by having a smaller credit limit Mrs W was prevented from drawing down on the account any more until the balance went below the new smaller limit. I don't think Drafty made an error when the credit limit was decreased.

Monitoring the facility

Although I don't think Drafty was wrong to have initially provided the facility, that wasn't the end of its obligations to Mrs W. At the time, Drafty was regulated by the Financial Conduct Authority, and it issued guidance on this type of lending and what it says should be expected from lenders when granting these types of loans. Within the Consumer Credit Sourcebook (CONC) section 6.7.2R says:

“(1) A firm must monitor a customer’s repayment record and take appropriate action where there are signs of actual or possible repayment difficulties”

CONC 1.3 provides a non-exhaustive list of some indicators, which when present in a consumer's circumstances, which could be suggestive of potential financial difficulties. In practice, CONC 6.7.2(1)R meant Drafty needed to be mindful of Mrs W's repayment record and how she used the facility and step in if and when she showed signs of possible repayment difficulties.

I've looked at the transaction data to see how Mrs W managed her facility and to take account of the relationship between when Mrs W made payments and when she re-drew on the facility.

I don't think Drafty would've been overly concerned in the manner that Mrs W used the facility that ought to have led it to either stop lending or to have investigated Mrs W's circumstances more closely than it did. Bearing in mind that Drafty has limited Mrs W's ability to drawdown on the facility once it decreased the credit limit.

There isn't anything as far as I can see that would've led Drafty to conclude that Mrs W wasn't using the facility in the manner that it had intended and so I'm not able to uphold Mrs W's complaint for this reason.

An outstanding balance remains due, and I would remind Drafty of its obligation to treat Mrs W fairly and with forbearance when discussing a way forward with her to repay the balance.

Finally, I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Drafty lent irresponsibly to Mrs W or otherwise treated her unfairly in relation to this matter up to April 2025. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons I've set out above, I do not uphold Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 6 March 2026.

Robert Walker
Ombudsman