

The complaint

Miss G complains that Gain Credit LLC trading as Lending Stream (“Lending Stream”) having agreed a repayment break due to her undergoing medical tests and she wouldn’t be contacted. Despite this, Miss G received missed payment letters and emails which said that as a result of the payment break her monthly payments would increase.

What happened

The issues Miss G has had stem from the following loan.

loan number	loan amount	agreement date	repayment date	number of monthly instalments	largest repayment per loan
1	£700	10/05/2025	outstanding	6	£253.64

Following Miss G’s complaint, Lending Stream set out in its final response of October 2025, what happened and how the agent Miss G spoke to at the end of July 2025 ought to have explained to her that her payment due in August 2025 would be larger due to daily interest. Lending Stream said it had waived the late fees applied but it reiterated that interest would continue to be charged and it would carry on updating Miss G’s credit file.

Lending Stream said, at the time of the final response letter that Miss G’s arrears were £637.70 and if she paid £507 it would waive the remaining arrears and reduce her balance by a further £50. And then from October 2025 – Miss G’s payments would return to the contracted amount.

Unhappy with this, Miss G then referred the complaint to the Financial Ombudsman. After the complaint was referred here, Miss G received a default notice for the loan.

The case was then considered by an Investigator, who upheld the complaint because the Investigator was satisfied that Miss G had been caused trouble and upset and the Investigator set out how Lending Stream should put things right for Miss G.

Lending Stream responded and said it agreed to the outcome – and agreed to decrease Miss G’s balance to £1,000 – in line with the recommendation. It also said it couldn’t backdate the payment arrangement to August 2025 so instead it would remove the adverse payment markers from August 2025 until a repayment plan is agreed – at which point the arrangement marker will be added to Miss G’s credit file.

Miss G explained that while she agreed the complaint should be upheld, she didn’t think the resolution was fair or reasonable. I’ve summarised her response below;

- Lending Stream failed to explain the consequences of the payment break and the date change.
- The lack of information meant Miss G couldn’t look at and consider alternatives.
- Lending Stream sent arrears notices and added late payments which caused significant distress.

- Lending Stream increased the amount she owed due to the incorrect information.
- Lending Stream, the day after the Investigator's view was issued sent further demands for payment – which caused further distress.
- The level of compensation offered doesn't reflect the distress and inconvenience caused.

Miss G then explained that despite bringing the complaint here and the service concerns which have been flagged – Lending Stream has:

- Continued to send automated emails and text messages asking for payment.
- These have been presented as contractual payments even though Lending Stream knew there was a dispute.
- Miss G has received default warnings while this dispute has been ongoing.
- Lending Stream didn't meaningful pause enforcement activity.
- This conduct has led to further damage to her credit file.

These comments didn't change the Investigator's mind and so the case 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.

Miss G in response to the assessment, as well as since the complaint has been referred here has made a number of other complaint points about Lending Stream's conduct. However, as the Investigator said in their view, the Financial Ombudsman is only dealing with the matter of the information and advice given to Miss G when she entered into the repayment break. Any later or newer issues that have developed would need to be considered separately. If she remains unhappy, she'll need to approach Lending Stream to give it an opportunity to review what has happened.

I'm sorry to hear about Miss G's health problems, and I thank her for sharing what she did about what was going on at the time of the complaint. That couldn't have been easy for her and I've taken that on board when considering the complaint. I do hope things have improved for her.

Miss G has on occasions said that she was and is in dispute with Lending Stream over the debt and so per CONC 7.9.4R it ought to have paused collection activity while the Financial Ombudsman investigates the complaint. However, the section of CONC that Miss G refers to is more to do with how the lender contacts a consumer – for example this must be done at a reasonable time.

There isn't anything within the regulations that prohibits Lending Stream from chasing or contacting a consumer about the repayment of a debt that is with the Financial Ombudsman Service. Of course, some lenders may make a commercial decision not to chase for a debt while a complaint is being investigated. But Lending Stream choosing not to do so, isn't a reason I can uphold the complaint for. After all, Miss G isn't saying that she doesn't owe Lending Stream any money, merely the dispute is about extra interest and the contractual payment amount.

I would say that when Miss G initially approach Lending Stream for help and support that this was granted in the form of a one-month payment break and at the end of the payment break Miss G made the contracted payment as expected.

However, it was after Miss G accidentally amended her payment date which meant that Lending Stream would be taking a further payment only two days after her July 2025 payment. As a result, the payment break was extended for a further month – but by doing so the August 2025 repayment was larger than Miss G was expecting.

This is where Lending Stream has accepted the error was made – it ought to have outlined that interest is added daily which is why the August 2025 payment was larger. Lending Stream does accept that something went wrong here.

Following, this Miss G made a complaint and Lending Stream paused card collections until 16 September 2025 – but again Lending Stream accepts it ought to have told Miss G that daily interest would continue to be charged. And importantly, this time Lending Stream didn't agree to waive interest – it only agreed to a payment holiday.

Overall, I'm satisfied that Lending Stream has made errors here – and failed on more than one occasions to provide all the information Miss G needed and what it should've supplied to enable her to understand what was going on, what would happen and why. Indeed, Lending Stream has already agreed that things could've been handled better by agreeing to uphold the complaint in response to the Investigator's assessment.

So, I don't intend to revisit every communication and email, instead what I'm being asked to decide is whether the settlement which was offered by the Investigator – and agreed by Lending Stream is a fair and reasonable way to resolve the complaint. Having considered everything, I'm satisfied the outcome reached is fair and reasonable and I'm not intending to award any more compensation.

Miss G has continued to receive letters while the complaint has been dealt with – I've reached out to Lending Stream and it has explained that letters have been set – such as notice of default. But these are regulatory letters so even if Lending Stream has agreed to pause collection activity these letters would always have to be sent. As such, I am not making a further award to Miss G because of them.

And while Miss G said in her emails that she'd not pay until the matter is resolved Miss G did owe Lending Stream money and the disputed amount was a small portion of the total balance that was due to be paid to it. As such, while I can understand why Miss G took this approach – I don't think Miss G should receive further compensation because of it.

Miss G said due to the lack of information provided to her she wasn't in a position to make informed choices or to seek alternative options. I'd start by saying that really at the point the complaint was raised Miss G's options were unfortunately limited. Miss G said had she been fully aware of the consequences of the payment break she wouldn't have taken it.

As the Investigator pointed out, I can't be sure exactly what Miss G would've done but her options would've likely been either make the payment as Lending Stream had set out – or come to an arrangement with Lending Stream in order to repay what she owed over different terms. But had Lending Stream done this that also could've potentially led to adverse information being reported to the credit reference agencies.

The Investigator said that the credit file should be updated – to remove the missed payment markers and to replace it with a payment arrangement from August 2025. Lending Stream said it wasn't possible to do this – presumably because of system constraints.

Instead, Lending Stream has offered to remove the adverse information it has recorded to date and then once Miss G needs a repayment plan it will then record this on her credit file. I

don't consider the redress to do with the credit file to be unreasonable as this will remove any adverse information that has been reported since the dispute started.

Miss G's missed payments will be removed – which I think is fair and reasonable and then an arrangement to pay added. Again, this seems fair and reasonable because if Miss G does need additional help and support repaying the loan – which departs from the payment schedule that is set out in the credit agreement, then it's only fair and reasonable right that Lending Stream report this to credit reference agencies. I therefore make no further award against Lending Stream for the credit file.

I'd also set out that any payment of compensation isn't designed to fine or punish a lender for the errors that have been made. As I've said, I'm satisfied distress and inconvenience has been caused and I think both parties agree on this. But I also think the way the Investigator asked the complaint to be resolved, was in my view fair and reasonable and so I am not directing Lending Stream to do any more than what it has already agreed to do.

Putting things right

Although I've set out below what Lending Stream agreed to do in response to the Investigator's assessment. Lending Stream has also said, in response to a further information request which I made, that if Miss G has the funds to pay the balance in full it will accept a total to repay of £713.49. But Lending Stream has explained that this will need to be repaid as a one lump sum and not for example through a repayment plan. If Miss G wants to accept this offer she ought to contact Lending Stream directly.

In order to put things right Lending Stream should carry out the following – which it has already agreed to do in response to the Investigator's assessment.

- Reduce Miss G's current outstanding balance to £1,000 and if needed set up a mutually agreeable payment plan.
- Remove the adverse payment markers from Miss G's credit file from August 2025. Should Miss G then need a repayment plan to repay the balance than Lending Stream is entitled to report this to the credit reference agencies.

My final decision

For the reasons set out above, I am upholding Miss G's complaint.

Gain Credit LLC trading as Lending Stream should put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 22 May 2026.

Robert Walker
Ombudsman