

## **The complaint**

Mr Q complains that following the settlement of his account, Erudio Student Loans Limited wrote to him about a missed direct debit and stated that he had an account balance of £506.

## **What happened**

Mr Q took out 3 student loans in 1997, 1998 and 1999 which he was repaying by direct debit. In April 2019, Erudio wrote to him and offered him the opportunity to settle the loan account for £4,104.49, representing a saving of £506.49.

Mr Q settled his account on 17 April 2019. Following this he received a letter from Erudio advising him that his direct debit had been missed. Mr Q contacted Erudio who said the letter had been sent in error, that Mr Q's direct debit had been cancelled and that it would no longer be pursuing the remaining balance.

Mr Q raised concerns. He felt the letter regarding the missed direct debit constituted harassment and that the most recent letter he'd received referring to a balance was fraudulent. Mr Q said he'd settled his account and didn't owe a balance. He asked Erudio to destroy all the data it held on him and pay compensation.

In response, Erudio said the letter referred to a balance of £506 was because, following any reduced settlement payment, the remaining balance still reflects on the system for record keeping purposes. Erudio said this wouldn't impact Mr Q's credit file, nor would he be pursued for the balance. Erudio apologised to Mr Q for not making this clear in previous correspondence. It said its records weren't fraudulent or incorrect but it understood why Mr Q thought this and upheld his complaint. It said it would reduce his account balance to zero and offered to pay £100 compensation for any distress caused.

In relation to Mr Q's request that his data was destroyed, Erudio said it was permitted to hold data for 6 years once an account had been closed. It said it wouldn't destroy the data but that a copy of all information it held about Mr Q had been issued to him in response to his SAR but had been returned by Royal Mail as it hadn't been signed for.

Mr Q remained unhappy and complained to this service. He says he didn't agree to settle the account on the basis that a balance would remain outstanding. He also feels that Erudio hasn't complied with his SAR.

Our investigator didn't uphold the complaint. She said that when Mr Q accepted the reduced settlement offer, this amounted to a partial settlement of the account. She agreed that the missed direct debit letter had been sent in error but didn't think this warranted further compensation than already offered. The investigator explained that this service is unable to require Erudio to destroy data because a business is allowed to hold data for 6 years after an account has been closed.

Mr Q didn't agree. He said he had settled the account in full, not partially. He said he hadn't received his data in response to his SAR and he wanted it by email. He felt that Erudio was holding false information about him and suggested that this might be the reasons he was

having trouble getting services from third parties. He said he would like the information corrected if it could be destroyed or deleted.

### **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 understand why Mr Q feels strongly about this. I've looked at the settlement letter that Erudio sent to him. It says;

*We'd like to offer you the opportunity to partially settle your loan account balances now for a single payment of £4,104.49. A saving of £506.49.*

Further on in the letter it says that the remain £506.49 will be written off and the loan will be closed, and liability resolved.

There's no dispute that Mr Q settled his loan. When Erudio responded to Mr Q's complaint, it said that although his loan was closed when accepting a reduced offer to settle the remaining balance remains on the account but won't be pursued.

I think the letters from Erudio have caused confusion. Erudio's response to Mr Q's complaint is inconsistent with what the settlement offer letter said. I don't think Erudio acted fairly in leading Mr Q to believe that the balance would be written off, and subsequently advising him that the balance would remain on the account.

Erudio has confirmed that it has reduced the balance on Mr Q's account to zero. This puts Mr Q in the position he believed he would be in. I think Erudio has acted fairly in doing this and I don't think it's necessary for me to ask it to do anything further in terms of correcting information, on the basis that the balance now says zero and not £506.

Erudio has acknowledged that the missed direct debit letter was sent in error. I understand that Mr Q would have found it distressing to receive such a letter having settled his account. However, I'm not persuaded that Erudio intended to harass Mr Q, or that the letter constitutes harassment. I think Erudio acted fairly in acknowledging the error and offering compensation. I won't be asking it to do anything further about this.

In relation to the SAR, and based on the information I've seen, Erudio sent the information it holds to Mr Q twice and on both occasions, it was returned as it hadn't been signed for. I appreciate that Mr Q has said that the information wasn't sent to his address. I haven't seen anything to suggest that Erudio sent the information to the wrong address. Taking everything into account, I don't think Erudio has failed to respond to the SAR. If Mr Q wants the information by email, and if he can provide a secure email address to Erudio, I think Erudio should provide it by this method.

Mr Q has expressed concern that Erudio is holding fraudulent information about him. It's not clear what Mr Q is referring to when he says this but I think he may be referring to his account balance. As I've already said, this has been reduced to zero, which I think is the correct balance. I haven't seen any other evidence that Erudio has made false claims about Mr Q.

Mr Q has said that he's experienced difficulty obtaining services from third parties. He hasn't provided any further information about this so I'm unable to comment. That said, I haven't seen anything to suggest that Erudio have recorded anything on Mr Q's credit file which would negatively impact him.

Taking all the circumstances of this complaint into account, and notwithstanding that Erudio provided misleading information when it wrote to Mr Q and sent a missed direct debit letter in error, I think Erudio has done enough to resolve the complaint and has acted fairly and reasonably in doing so. So I won't be asking it to do anything further.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 23 October 2020.

Emma Davy  
**Ombudsman**