

The complaint

Ms K says Erudio Student Loans Limited has treated her unfairly in the way it is pursuing her in relation to debts.

What happened

Erudio says Ms K has four student loans which Erudio has managed since March 2014, three under one account number (ending 3714) and one under another account number (ending 3722). It says the lending agreements were terminated in July 2016 with Ms K owing money on both at that time. Erudio then outsourced the management of the debts from these two accounts. These debts are managed now by a company (which I'll call Company A).

Erudio says that Ms K paid monthly payments on both accounts up until September 2018 when she stopped paying on the account ending 3714. So Erudio passed this account to a solicitor in May 2019 to pursue the debt through legal action. Erudio says that Ms K has paid towards the account ending 3722 throughout.

Erudio has issued a cheque to Ms K for £50 for some customer service issues but maintains she owes money from the original debts it took over in 2014 on both accounts and it is entitled to ask her to pay.

Ms K says that it's Erudio's fault she stopped paying on account 3714 because it cancelled her payment instruction. She says she hasn't broken the agreement and has been paying throughout. She says Erudio agreed to put it all under one account but continues to run two accounts for her.

Ms K complained to Erudio about what happened, and it said that it had treated her fairly overall. Ms K disagreed, so she brought her complaint to our service.

Our Investigator decided that Erudio had treated Ms K fairly. As Ms K remains unhappy, this 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.

Erudio and Ms K don't agree to some of the key issues here. So I can only make my decision based on the evidence provided to me by the parties. In short I must decide what is most likely to have happened. Or in other words, what happened on the balance of probabilities.

I've considered what has happened here and everything that has been said by the parties, and I think Ms K has been treated fairly here and I shall explain why.

Ms K says she's paid throughout. And I can see that on the account ending 3722 this is true. But Erudio isn't chasing her for this account as it recognises she's been paying throughout.

But Erudio points to the account ending 3714. Its records show that Ms K made an arrangement with Company A to make payments to both accounts on a monthly basis in August 2017. Its records show Ms K made payments relating to account ending 3714 until September 2018. Its records also show that Ms K didn't make any more payments relating to this account, so in May 2019 it arranged for the solicitors to help it get the money Ms K owes back. It's clear from the evidence that Ms K has been in contact with both Erudio and Company A off and on for many years about these debts. It's clear she has applied for the debts to be deferred on a number of occasions over the years and there is no persuasive evidence of Ms K arguing that these debts aren't hers. It's also clear from what she has said to this service that she's aware she has two accounts with Erudio. And that Erudio, Company A and the solicitors have been in contact with Ms K regularly and that although she has on many occasions not responded to such correspondence, on many other occasions she has engaged with these firms about these debts.

Ms K says Erudio cancelled her direct debit in relation to account ending 3714. I've seen no persuasive evidence of the payments stopping due to something Erudio has done. And I'm satisfied Ms K owes the money and that Erudio is entitled to ask for it. It's clear that since she stopped paying on this account in September 2018 she's been asked to pay and since that time regular payments haven't been made. Nor is Ms K saying she's been paying throughout on this account. Erudio have asked her for evidence of payments during this time and she hasn't provided any. She says she's not been paying since then because the payments stopped. But she's had a significant amount of time to make payments towards the debt she owes. So I'm not persuaded Erudio has done anything wrong here.

Ms K points to correspondence issues and says this is the reason there is a problem. Erudio has offered £50 for this. I've considered the evidence and in relation to the account ending 3714 which Ms K hasn't been paying there is only one letter which had an issue with the address and that was sent in 2017 which was a long time before she stopped paying this account. So I don't think it had an impact on what happened on that account.

Ms K has in the past referred to issues from some years ago. In this decision I can only consider what Erudio has done or those companies working on its behalf. I can't consider what happened before Erudio starting dealing with these debts in March 2014.

Ms K she says she's been shocked and stressed by what has happened. She says she's been harassed for the money. But I've considered the evidence of what has happened here, and I don't think Ms K has been treated unfairly in the way Erudio or Company A on its behalf has asked her to repay the money she owes.

Ms K says she wants to defer payment again. If this is the case she should speak directly to Erudio and come to an arrangement to pay the money she owes. But Erudio or the companies it uses to manage this debt are entitled to ask Ms K to pay it.

I appreciate that this isn't the decision Ms K wants. However it is my decision Erudio hasn't treated her unfairly. Accordingly this complaint doesn't succeed.

My final decision

For the reasons set out above, I do not uphold this complaint against Erudio Student Loans Limited. It has nothing more to do with regard to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or

reject my decision before 22 June 2021.

Rod Glyn-Thomas
Ombudsman