

## **The complaint**

Mrs L complains that Erudio Student Loans Limited is unfairly refusing to process her student loan deferment application.

Mrs L wants Erudio to allow her to submit her evidence so that it can process her deferment.

## **What happened**

In the late 1990s, Mrs L took out two loans taken out via the Student Loans Company that are now administered by Erudio. For the purpose of my decision, I will refer to these as the loan.

In May 2020, Mrs L applied online to defer the loan as she was under the earning threshold.

Mrs L's application to defer wasn't successful as Erudio wanted to see additional evidence. Mrs L says she wasn't aware of the need for additional evidence as she didn't receive the letters that Erudio says it sent to her.

Mrs L says that she sent Erudio a letter requesting the deferral but didn't hear anything until mid-October 2020 when she received a termination letter.

Erudio doesn't have any record of receiving the information from Mrs L by post. As her account was in arrears, Erudio took steps to default it.

The investigator didn't recommend that Mrs L's complaint be upheld. He was satisfied that Erudio contacted Mrs L about the deferment and arrears on several occasions.

Mrs L is very unhappy with the outcome. She points out the impact that this is all having on her health. Mrs L says that given the difficulties with the mail delivery service during the Covid pandemic, Erudio should've used email to make contact rather than post – particularly when it doesn't use tracked services.

Mrs L doesn't think Erudio has treated her fairly and she doesn't have the money to repay the loan.

## **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 can understand that this is a distressing time. Mrs L says that due to her financial situation, she is eligible for deferment and made her application in time. My role is to consider whether Erudio has acted unfairly when terminating her account. And I'm sorry to say that I don't consider it has – I will explain why.

When Mrs L made the deferral application online, Erudio said it needed further evidence. I'm satisfied that Erudio contacted Mrs L about this several times. Erudio wrote to Mrs L a few days after she made the application, detailing what further evidence it required. Erudio sent two more reminders in June 2020 before notifying Mrs L that her period of deferment had ended.

As Erudio didn't have any record of receiving the additional evidence, Mrs L's account went into arrears. I'm satisfied that Erudio sent her notices of arrears in July 2020 and a reminder at the beginning of August 2020.

As far as I can see, everything was correctly addressed to Mrs L using the same address we hold for her. Although Mrs L doesn't recall receiving the letters, Erudio's records show that it sent them. I can't blame Erudio for any failure in the postal service. And Erudio wasn't obliged to send the letters in a way that would've required Mrs L to sign for them.

I know Mrs L feels strongly that Erudio should've contacted her by email but it's not this service's role to tell a business which communication method to use. That is a commercial decision and Erudio says it must send certain documents by post for regulatory purposes.

Erudio did receive an email from Mrs L on 19 August 2020 advising that she hadn't received confirmation that her deferment application had been processed. Erudio responded by email in early September 2020 attaching copies of the recent letters it had already sent to Mrs L. Erudio explained that Mrs L could complete her application online or send the form with "all relevant income evidence" via email. So, I can't find that Erudio failed to deal with Mrs L's concerns about the deferment. And at this stage, Erudio could've still processed Mrs L's deferment application.

Erudio has given this service evidence to show that after Mrs L logged into the online portal on 19 August 2020, she didn't log on again until 29 October 2020. Given the urgent need for Mrs L to complete the deferment, I would've reasonably expected her to have logged on to the portal sooner than it appears she did.

Although Mrs L says she sent information to Erudio by post, it doesn't have any record of receiving this. And Mrs L hasn't been able to give this service copies of what she sent. This makes it difficult for me to find that Erudio made a mistake.

I appreciate that Mrs L says she couldn't get through to Erudio's customer service and had emails returned to her as undelivered. Erudio says it doesn't have any record of the attempted contact. It invited Mrs L to give it details of any other numbers she might have used which seems reasonable.

Although Mrs L has given this service evidence that some of her emails weren't delivered in late October 2020, it doesn't change my decision. By this time, Erudio had already terminated Mrs L's account. And I consider that it had given Mrs L enough opportunity to complete her deferment application.

Overall, I don't think Erudio unreasonably or unfairly defaulted Mrs L's account. I don't consider Erudio needs to re-instate Mrs L's account or return her loan to a position of deferment.

I appreciate Mrs L will be unhappy with my decision as she's worried how she'll be able to repay the loan. So I remind Erudio of its obligation to treat Mrs L fairly and with due consideration in respect of the outstanding balance.

**My final decision**

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 30 August 2021.

Gemma Bowen  
**Ombudsman**