

The complaint

Miss C complains Erudio Student Loans Limited have added arrears to her loan with them when they shouldn't have. She's also unhappy with a number of customer service related issues.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements below, and they form part of this final decision.

From the information I've got in November 2019 Miss C contacted Erudio with concerns about arrears being applied to her account when she says they shouldn't have been.

Miss C has a student loan with Erudio, which can be deferred if she meets certain criteria, and returns deferment forms each year when due. This means no arrears apply, or interest is added, when a deferment has been accepted by Erudio within the relevant time period.

Miss C also raised concerns regarding the customer service she'd received from Erudio. She said she was unhappy Erudio hadn't called her regarding the deferments when they didn't go through – and that she didn't qualify for an extended deferment on medical grounds. She also said one of Erudio's advisers was rude, and another asked for medical information which she didn't feel comfortable with, because he wasn't a medical professional. And she was unhappy at speaking to a debt collector, when she thought she was calling Erudio back.

Erudio said they received Miss C's latest deferment form on 8 October 2019, and initially didn't have evidence of her income which they needed. They said this was subsequently provided, so they backdated the deferment – meaning no new arrears had accrued. Erudio said Miss C had disputed arrears that occurred before 2017 but said a complaint had already been considered by our service, and we'd agreed those arrears were fair. So, overall, they didn't uphold this element of her complaint.

Erudio said our service had previously considered the issue of them not phoning Miss C, and said while they would call more frequently now, their primary method is still post. They did though accept they'd made some errors regarding their handling of calls with Miss C – specifically as one call handler said Miss C might qualify for a three year medical deferment, but a later call handler said she likely wouldn't as she was working. They didn't find though the call handler was rude, but could see they'd recorded some medical information on her file, when she'd specifically asked they didn't. For these customer service issues, they paid Miss C £100.

Miss C asked us to look into things. Ultimately one of our Investigators started looking into her complaint in November 2021. In December 2021 he first asked Erudio if any arrears had been applied since December 2017. He also asked for notices of incomplete deferments, or that payments were due – along with the relevant contact notes.

Our Investigator then contacted Erudio a further three times, with no reply. So, he issued an outcome saying as Miss C had said Erudio had applied arrears unfairly, and as he'd been

provided no evidence to dispute that, Erudio should refund any arrears from 10 October 2017.

He provided his outcome to both parties, but Erudio didn't reply by the deadline. The complaint was then passed to me to decide.

Before finalising my thoughts Erudio replied. They explained no arrears had been applied since 10 October 2017, until the final response letter issued on 9 January 2020. They provided details of how they'd supported Miss C when she told them about her medical condition. And they explained due to an error on their systems they'd stopped sending Miss C letters – which included the deferment forms. So, they've now rectified this meaning letters will go out again and backdated the deferment from 9 October 2020 until 9 October 2022.

As Erudio provided this information, even though it was very late, I'm required to take it into account when deciding a fair and reasonable outcome.

What I've provisionally 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 think it's important to explain some elements of what Miss C asked us to consider in this latest complaint aren't points we can look into. A previous final decision by another Ombudsman in March 2017 said arrears up to that point were fine. And, a final response letter from Erudio was issued in May 2018 giving an outcome which also covered arrears.

But I can consider any arrears not addressed by a previous response – such as those I've mentioned above – up to the date of Erudio's final response to this complaint. So, with that in mind, I can consider arrears from 10 October 2017 (the last date covered by Erudio's response in May 2018) up to 9 January 2020 when Erudio issued this complaint response.

I should also add my understanding was Miss C was only asking us to look into the arrears she said had accrued on her account, and no longer wanted us to consider her customer service issues. But, as those issues have been mentioned in her complaint to Erudio, I've addressed them here for completeness.

Deferments

Erudio have a process for deferments which require their customers to provide certain information and return it within the time period specified.

As I've set out above, from what I can see Miss C's main concern is regarding the arrears that have accrued on her account. Erudio have provided evidence to show no arrears have accrued since October 2017. I've not been given any information from Miss C to dispute that, so it seems no arrears have been applied since October 2017.

Any other arrears Miss C has on her account, were seemingly accrued before that. And, as I've mentioned above, our service has previously considered those arrears – deciding it was fair they were applied. I can't overrule another Ombudsman's decision.

So, taking everything into account, for the arrears I had authority to look into between October 2017 and 9 January 2020, I've seen no evidence any have been applied. That means I can't ask Erudio to refund something that seemingly hasn't been applied. In effect, Miss C is receiving the same outcome from me as from our Investigator. He'd said any

arrears that had been applied need to be refunded – but as we now know none have been, Erudio likely would have just got in touch with Miss C, and said none had been so there were no arrears to refund.

I've also noted Erudio have said a system error meant Miss C wasn't receiving paperwork for the deferments. That's unfortunate, but it seems Erudio have backdated any deferments from 9 October 2020, until 9 October 2022. This means effectively no arrears have been accrued between 10 October 2017, for five years. I can't make a formal finding on the arrears between October 2020 and October 2022, so if Miss C wanted to complain about Erudio's actions here, she could do so. Though, as Erudio have backdated the deferments, she may decide that's unnecessary.

Customer service issue

I can see Miss C's first concern here is when information needed for the deferment isn't received by Erudio, rather than phoning or emailing her, they write out to her in the post. Miss C has explained she works away from home at times, so doesn't always get Erudio's letters.

While I can understand it'd be more convenient for Miss C to have received a call, Erudio's process is post which they've made clear to her on several occasions from the notes I can see. I can't require Erudio to change their processes, I can only say if they've treated Miss C fairly – and given this is their standard process, I think they have.

The call where Miss C said the agent was rude and abrupt took place in October 2019. I've not been provided with a copy of this call, which isn't surprising given how long ago the call took place. But, I've seen a copy of the notes recorded at the time. I can see from those notes it's recorded the discussion is about whether an extended medical deferment can be applied – and Miss C has been gathering medical evidence after earlier calls. The call handler on this occasion advised if someone is still working, which Miss C was, then it won't usually be granted. The notes reflect Miss C wasn't happy with this and said at this point the call handler was "stressing her out and interrogating her" by saying this.

Erudio have explained they only offer extended deferments on medical grounds in a limited set of circumstances, and that despite those earlier conversations, Miss C didn't meet those circumstances. So, although I think it was unhelpful of Erudio to have raised Miss C's expectations, and she was put to some trouble in getting some information to support an extended medical deferment, they've treated her fairly in saying this. And the notes recorded don't reflect what Miss C has said about the call handler's attitude, which Erudio have also said. So, although I can't know for certain, on balance I think it's more likely than not Erudio's call handler did handle the call appropriately. That's not to say I disbelieve Miss C, but I simply don't have the evidence to support it – and I suspect the shock at being told the medical deferment wasn't likely, given her earlier conversations, made her very unhappy. I do think Erudio's call handlers before this hadn't handled things well, so I'll think about whether the £100 they've awarded is enough for this and any remaining issues at the end.

I do also think it's disappointing Erudio recorded Miss C's medical information when they shouldn't have. But, I've not seen anything to show Miss C was aware of this, so although they've made a mistake, the impact to her was limited because she didn't know about it beforehand – though I can appreciate she'd likely not have been happy when she did find out.

The remaining two issues are that an adviser in 2017 asked Miss C for lots of medical information, which she wasn't comfortable with. Erudio have said their staff are trained to get

as full an understanding as possible when someone wants their medical information to be considered for a longer deferment – which is what I believe this call was in relation to.

Again, I've not been provided with the call given the passage of time, but I think Erudio's explanation seems reasonable. If someone wants their medical information to be taken into account for Erudio to take actions, it seems reasonable enough information is provided. I'm sorry to hear how uncomfortable this made Miss C feel, but I can't say Erudio did anything wrong – and if she wasn't comfortable sharing information, then she doesn't have to. As I understand it, Miss C didn't share all of the information, because Erudio's case handler wasn't a trained medical professional.

The last issue is Miss C received a call from Erudio, and a message was left. She was asked to call back, but the number rang a different company – who were a debt collector. Miss C say this caused her distress, as she thought her account had been passed to a debt collector.

Erudio explained the debt collector is part of the same company – and it's just that the call handler gave the wrong number for Miss C to call back. I think that was unhelpful, but it seems to have been cleared up fairly quickly. The call was answered by people in the same office. So, although initially a shock, again I think the impact would be somewhat limited.

Summary

In respect of the deferments, Erudio's processes, and how they've handled some of Miss C's calls, I won't be requiring them to do anything further.

I do think Erudio unfairly raised Miss C's expectations when talking to her about the potential for a three year extended deferment – as well as recording Miss C's medical information when they shouldn't have, and giving her the wrong number to call, leading to her thinking her loan had been passed to a debt collector.

Erudio have already paid £100 to reflect these concerns. And, taking everything into account, I think that's a fair amount to resolve this complaint – so I don't require Erudio to do anything further on these issues either.

Responses to my provisional decision

Erudio replied, and said they had nothing further to add.

Miss C discussed issues with our Investigator, including whether we could look at the previous arrears – which he reminded her we couldn't due to another Ombudsman issuing a final decision. In that conversation our Investigator let Miss C know she had until 8 March to reply to my provisional decision. He then confirmed this by email, after Miss C asked when the deadline was to reply.

By email, Miss C said the previous submission isn't valid due to her health issues and should be reconsidered – and the excess charges are unjustified.

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 thought about what Miss C has said – but as I've explained above, the charges Miss C is referring to were considered by a previous Ombudsman. Once a final decision has been issued then it can't be reconsidered.

So, although I understand Miss C feels very strongly the previous charges were applied unfairly, I simply don't have the authority to look into them.

As Erudio didn't have anything further to add, and Miss C hasn't provided me with any further information regarding the complaint I can look into, I've seen no reason to change my provisional findings.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 7 April 2022.

Jon Pearce
Ombudsman