

## **The complaint**

Mr F complains that Erudio Student Loans Limited wrongly took a payment towards his student loan, even though payments were deferred. It won't explain how the error occurred or guarantee that it won't happen again.

## **What happened**

There is no real dispute about the facts in this case. Mr F has several student loans, dating back to 1995. The current balance is around £2,700.

Mr F is unemployed and, at the time of the events giving rise to this complaint, his loan payments of just over £150 a month were deferred to 9 January 2022; he has said that the deferment period has since been extended.

In September 2021 Erudio took a loan payment by direct debit. Mr F contacted Erudio on the same day to complain. Erudio offered to refund the payment, but Mr F explained that he had already taken steps to recover the money from his bank. He said too that arrears had wrongly been added to the account; that should not have happened while the agreed deferment was in place. Erudio agreed to look into that and remove any arrears that had been added in that period.

Erudio says it thought that had resolved the matter, but Mr F referred it to this service. He said that something similar had happened in September and October 2018. One of our investigators considered what had happened and sought Erudio's comments. Because he did not receive any response, the investigator issued a preliminary assessment, recommending that Erudio pay Mr F £200 by way of compensation.

Erudio did not agree with the investigator's recommendation. It said that, whilst there had been an error, it had taken steps to rectify the situation as soon as it became aware of the problem. By then, Mr F had in any event already taken steps to recover funds from his bank.

I therefore reviewed the case and issued a provisional decision. I said that, whilst there had been an error on Erudio's part, it did not necessarily follow that Mr F should receive any compensation because of it. Erudio had acknowledged and offered to correct the error almost immediately, and Mr F had in any event secured a refund through his bank.

I noted as well that Mr F had asked for, but not received, an explanation for the error. I thought however that the refund of the money taken in error was enough to resolve the complaint.

In response to my provisional decision Mr F, as well as repeating some of his previous arguments, said that Erudio had written to him after the payment was taken in error to say that his account was in arrears

## **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.

As I indicated in my provisional decision, I think the most important thing here – as far as the resolution of the complaint is concerned – is that any payments taken in error have been refunded. That happened almost immediately. It is also important that Erudio has acknowledged its error. Whilst I would expect Erudio to seek to identify the cause of the error (so that it can stop it happening again), I do not think it is necessary for it to share the results of any investigation with Mr F.

I note as well that Erudio also suggested that Mr F's account was in arrears, when that is not the case. That however seems to me to be part of the same issue which led to the attempt to take payments from him. It does not appear that Erudio is suggesting that there remain any missed payments. I do not propose to require Erudio to confirm that is the case, but it might be helpful for Mr F if it were to do so.

### **My final decision**

For these reasons my final decision is that I do not require Erudio Student Loans Limited to take any further steps to resolve Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 May 2022.

Mike Ingram

**Ombudsman**