

The complaint

Mr F has complained about Erudio Student Loans Limited asking him for bank statements to support his deferment applications.

What happened

Both sides are most familiar with the case, so I'll summarise things in brief.

Mr F receives his income in cash as support from a family member. When he applies for deferment on his student loan, Erudio keep asking him for bank statements to help verify he doesn't receive any other income. Mr F feels this is unfair, as the deferment guide doesn't say that statements are necessarily required in situations like his. He also received conflicting information about this from Erudio.

Erudio apologised for the confusion, and explained that they had the discretion to ask for evidence in addition to the minimum criteria set out in the guide. They clarified that even though Mr F didn't receive his family support into his bank account, they ideally wanted statements to confirm he didn't get any other income. They said they reviewed things on a case by case basis, which is why some years they'd been willing to forego receiving statements as a goodwill gesture. They offered Mr F £50 compensation for the confusion they'd caused.

Our investigator looked into things independently and thought Erudio's offer was fair. Mr F didn't agree, so the complaint's 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.

I understand that Mr F found it frustrating to be asked for statements, not least when the guide did not list statements as a requirement for when one received support in cash.

However, Erudio are able to ask for additional evidence to help them assess deferment applications. And given that Mr F's income arrangement is rather uncommon, it seems reasonable that they wanted to check he didn't receive any other income. So I don't find that they did anything wrong in asking Mr F for statements.

Of course, I do see that Erudio caused some confusion here – they admit that themselves. And I can appreciate that that would have caused Mr F some stress. When a business gets things wrong, we often tell them to pay compensation – to acknowledge their mistake and the impact it had. In terms of the amounts, it's worth bearing in mind that we're not here to fine or punish businesses. Taking into account our guidelines on compensation, I think that Erudio's apology and offer of £50 is fair to put things right in the circumstances of this case.

I appreciate that Mr F may be unhappy with the way the deferment process works more generally. But we're here to resolve individual complaints about individual situations – I cannot change how things work across the board. It's the regulator, the Financial Conduct Authority (FCA for short) who regulate financial businesses and their processes.

Following our investigator's assessment, Mr F raised some materially new complaint points around the government selling his student loan to Erudio, and around some wider concerns about how his data might be handled. Those are substantially new issues which Erudio have not had the chance to reply to, so Mr F would need to raise those as new complaints – I'm not able to address them in this decision. Though I should explain that it's unlikely our service could consider a complaint about the government selling on its student loans. And the Information Commissioner's Office (ICO for short) is the body that looks after data protection issues, so Mr F's wider data protection concerns may be better directed there.

My final decision

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

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

Adam Charles
Ombudsman