

## **The complaint**

Ms O has complained that Erudio Student Loans Limited did not make it clear what medical evidence was needed.

## **What happened**

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

This complaint surrounds a mortgage-style student loan account which was terminated in October 2020.

In 2021, Ms O asked for her account to be reinstated on medical grounds, and Erudio asked her for evidence from a doctor or medical professional.

Ms O provided a word document from her doctor. But Erudio explained they couldn't accept this as it was in an editable format and did not provide the dates or periods that Ms O was unable to manage her account. They asked if she could send a signed, dated doctor's letter from the last 12 months which told them the periods for when Ms O was unable to manage her account. Erudio accepted they had not made these requirements clear before. So they apologised and offered Ms O £50 compensation.

Ms O came to our service. She explained that this was very stressful, and that she had to pay £30 for each doctor's letter.

Our investigator looked into things independently and thought £200 compensation would be fairer to take into account the impact this had had for Ms O. But Erudio thought the amount they'd already offered was fair. 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.

First, I understand that Ms O has also raised concerns about her loan account not previously being deferred, and about it being terminated. However, as our investigator explained, we are not able to consider those issues as Ms O brought them to us more than six months after Erudio's final response. So, for example, in this decision I cannot tell Erudio to undo the default and reinstate the account.

With that said, I will note that from what I've seen, I understand Ms O was earning over the threshold for deferment at the time, which would suggest her deferment would not have gone through anyway. And while she did make payments before the default, she was only paying about £30 a month, whereas her contractual minimum payment was over £100, meaning that despite her payments she was falling over £70 further into arrears each month. This tends to suggest that her account was going to terminate regardless. And because her account was terminated, the original terms no longer apply – which means she can't apply for deferment anymore and the account will not normally get cancelled at age 50. So while I cannot investigate those points any further, due to them being outside of our jurisdiction, I hope this provides some helpful context for Ms O.

Similarly, I understand that Ms O is unhappy with the situation of having her student loans being sold on and being spread across different companies, with all the paperwork that involves. And I do appreciate where she's coming from. But I'm not able to deal with or change how the student loan system works in general – we're an informal dispute resolution service, not the regulator, and so I can only look at what happened in this individual case.

I am able to consider this situation, regarding Erudio asking for medical evidence. I should explain that Erudio are allowed to ask for such evidence, and it's generally reasonable that they do – otherwise they wouldn't be able to objectively assess the situation. This is a rather standard practice, not a personal slight against Ms O. I have not seen any correspondence where Erudio said or reasonably implied that they were questioning her character. Further, the evidence requirements they've set out seem reasonable in this case.

The problem is that Erudio did not make these requirements clear to Ms O up front – which they have accepted they got wrong. I'm glad that Erudio apologised and offered her some compensation. However, the £50 they offered doesn't even cover the two £30 fees that Ms O has to pay for the doctor's letter she already got, and for the new one she'll need to get now. Further, I understand that this situation has been most frustrating for Ms O, that it's difficult for her to get these letters due to how busy her doctor is, and that it's awkward for her that she now has to ask for a letter a second time. Erudio have caused Ms O losses in terms of time and stress, which were exacerbated by her medical condition and the tough time she's been going through more generally – which they were broadly aware of.

We have guidelines about what levels of compensation to award. Taking everything into account, I agree with our investigator that Erudio should pay Ms O £200 compensation in total for the impact of not making the requirements clear for the medical evidence.

If Ms O would still like Erudio to consider her medical situation, she should now provide them with a new letter from her doctor which meets the requirements that have now been set out.

### **My final decision**

For the reasons I've explained, I uphold Ms O's complaint in part, and direct Erudio Student Loans Limited to pay her £200 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 27 September 2022.

Adam Charles  
**Ombudsman**