

## **The complaint**

Miss L complains about how Erudio Student Loans Limited dealt with her loan account.

## **What happened**

Miss L says she has made applications to defer her loan repayment over many years. She says she made an application in September 2021 to defer her loan and provided further information as required in October 2021. Miss L says she assumed the application was successful as in previous years but accepts she didn't look at her mail in early 2022. She says that Erudio refused the application and requires full repayment which she says is unfair.

Erudio says it asked Miss L for further information in September 2021 which she partially provided in October 2021, but she didn't provide required bank statements. It accepts it didn't write to Miss L again as it should have done in November 2021 and has apologised as well as offering £50 compensation. Erudio says Miss L could have contacted it and it sent arrears letters to her. It says it will not reinstate the deferment process.

Miss L brought her complaint to us, and our investigator upheld the complaint. The investigator thought Miss L had made numerous successful applications to defer and that it likely this application would have been successful if Erudio had seen the bank statements. The investigator recommended the account be reworked and the deferment process restart.

Erudio doesn't accept that view and says Miss L was aware of the process and ought to have contacted it after she received the arrears letters.

## **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.

Having done so I have come to a similar view to that of the investigator and for similar reasons. I accept that Miss L ought to have contacted Erudio far sooner than she did and ought to have realised in early 2022 that there was a problem. But for the reasons I will explain I find that the fairest approach would be to rework this account to allow the deferment process to continue.

There can be no doubt that Miss L has made a number of previous and successful applications to defer her loan. So, I accept that Miss L ought to have been aware of the process and the documents she was required to provide. I can see that Miss L did provide some of the documents and has provided us with copies, as well as evidence of postage. I think that suggests that Miss L at that stage clearly wanted to proceed with the deferment application and that it likely that application would be successful as it was over many years.

There is no dispute here that Erudio didn't tell Miss L in November 2021 that it hadn't received her bank statements. I appreciate Miss L says she thought she had sent them. I can't see any reason why Miss L wouldn't have at least wanted to send the statements as they confirm her financial position and would be supportive of her application. I have no

doubt that had Erudio told Miss L that it hadn't received the statements that Miss L would have then sent them, as I have made clear she wanted the deferment.

So, I'm satisfied that Erudio ought to have told Miss L that it hadn't received the statements as it accepts and that they would have been provided. I appreciate that Erudio then sent arrears letters to Miss L and she appears to have ignored them and not raised the issue until the middle of 2022. But I don't think that changes the position here as the delay has not benefited Miss L. And even if Miss L had contacted Erudio at the time, it is not clear what if any difference that would have made. I am sure Erudio accepts that those dealing with debt, whilst ought to manage their affairs appropriately, are not always able to do so for a variety of reasons and that correspondence can be ignored.

The key issue is Erudio not telling Miss L that it hadn't received the required information. I have made clear that if it had told Miss L about the missing statements that she would have provided them and that it would have been in her interests to do so. For that reason, I find the fairest approach would be for Erudio to rework this account as it now has the required documents. In doing so I accept that both sides could have dealt more appropriately with the application and with what then took place. I can see that Erudio has fairly agreed to pay Miss L £50 compensation which I think is fair and reasonable but doesn't appear to have been paid.

### **Putting things right**

Erudio should pay Miss L £50 compensation if it hasn't done so. It should rework Miss L's account and now process the 2021 and 2022 deferment applications. It should also manage the loan account if it has been passed to a third-party business. If the 2022 process requires further information, then no doubt Miss L can provide it.

### **My final decision**

My final decision is that I uphold this complaint and order Erudio Student Loans Limited to follow the above direction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 24 June 2023.

David Singh  
**Ombudsman**