

The complaint

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

What happened

Miss H says Erudio failed to update her address then obtained a County Court Judgement (CCJ) against which she was unaware of. She also complains about how her account was then handled and about the impact the CCJ caused her. Miss H says she was forced to pay a 12-month tenancy in advance and says the mistake affected her health at a time when she was expecting her child.

Erudio accepts that it didn't update Miss H's address and has apologised for what then took place. It says it has taken steps to remove the CCJ and has paid £200 compensation and offered £250 compensation for the original mistake.

Miss H brought her complaint to us, and our investigator upheld it. The investigator thought Miss H had provided evidence of the tenancy payment requirement and that she paid for a credit report for about a year to monitor the mistake. The investigator recommended a total of £650 compensation and that Erudio pay £164.89 for the credit report subscription.

Miss H accepts that view.

Erudio says it will pay for the subscription but says the £450 compensation paid is appropriate.

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 the overall view that I uphold this complaint and agree with the investigator's recommendations.

There is no need for me to repeat in detail what took place here as Erudio accepts it didn't deal appropriately with Miss H's account. It may well be that this debt is still owed, and no doubt Miss H will make contact with Erudio about it.

The only issue for me to consider is the compensation level.

I have no doubt that having a CCJ has a significant impact and will cause a significant impact on an ability to obtain credit. And as in this case, on obtaining a tenancy. I have seen confirmation from an estate agent that Miss H was required to take what I think was the unusual step of having to pay a full year's rental payments in advance. I have no doubt that caused financial difficulties for Miss H and will have caused significant distress as well as inconvenience. I also think that problems continued for some time, and this was not an isolated incident.

So, I'm satisfied that Erudio's mistake had a significant impact on Miss H and think that it

should pay a total of £650 compensation which I think fairly reflects the impact caused. And the length of time matters took to resolve. I also think it fairly reflects the impact on Miss H's ability to obtain any credit at the time due to the CCJ and that this award is in line with the type of awards we make for this sort of issue.

There is no issue over the credit file subscription and Erudio has fairly agreed to pay the £164.89. I don't consider it appropriate that interest be paid on that amount as initially suggested by the investigator and can see Miss H doesn't comment on that.

Putting things right

Erudio should pay a total of £650 compensation and for the subscription cost. It is not clear if Miss H cashed the original compensation cheque for £250 or if the further £200 compensation has been paid. I make clear the total compensation is £650 and no doubt Erudio can check its records to find out if either payment has been made or the cheque cashed.

My final decision

My final decision is that I uphold this complaint and order Erudio Student Loans Limited pay Miss H a total of £650 compensation less any payments already made and pay £164.89 for the subscription cost.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 20 May 2023.

David Singh
Ombudsman