

## **The complaint**

Mrs H complains that Erudio Student Loans Limited defaulted her loan account and passed her loan to a debt collection company.

## **What happened**

Mrs H has a student loan with Erudio. She's said that she's been deferring her payments for the last few years and hasn't received any correspondence from Erudio since September 2021.

Mrs H is unhappy because she's recently received a letter from a debt collection agency about arrears on her loan account. Mrs H has said that she's received no correspondence from Erudio about this and was under the impression that her loan had been cancelled due to her age.

Mrs H complained to Erudio but it didn't issue a final response within the required timescale, so she brought her complaint to this service.

Our investigator didn't uphold the complaint. They said that Erudio had made reasonable attempts to contact Mrs H once the deferment period had ended and that it hadn't acted unfairly by registering a default.

Mrs H didn't agree. She said she hadn't received any correspondence about the deferment date or any requests for payment.

## **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've reviewed the loan account and system notes provided by Erudio. These show that Mrs H deferred her loan payment for one year in 2021. A deferment acceptance letter was sent to Mrs H on 6 September 2021. A deferment acceptance email was sent to Mrs H on 6 September 2021, in which she was advised that the deferment expiry date was 14 October 2022.

A letter was sent to Mrs H in August 2022 regarding deferment for the following year. A text about deferment was also sent in August 2022. No application for deferment was received from Mrs H in 2022.

Because no application for deferment was received, the loan entered repayment. Letters regarding arrears of payments were sent to Mrs H on 16 November 2022 and 30 November 2022. A Notice of Default was sent to Mrs H on 16 January 2023 and a Formal Demand was sent to Mrs H on 24 February 2023.

I've checked the address to which these letters and notices were sent and it's the same as the address which Mrs H has provided to this service. So, I'm satisfied that the letters were sent to the correct address.

Because no payments were received in response to the Formal Demand, the account was passed to a debt recovery company in August 2023. It contacted Mrs H, which is what led to her complaint.

I appreciate that Mrs H has said that she didn't receive any correspondence from Erudio since September 2021, but I'm satisfied, having reviewed the system notes, that letters and texts were sent to Mrs H in August 2022 as I've detailed above. I'm also satisfied that Mrs H was aware that she needed to apply for deferment before the current deferment period ended on 14 October 2022 because she was advised of this in the deferment acceptance letter dated 6 September 2021.

Taking everything into account, I'm satisfied that Erudio acted reasonably in sending letters and texts to Mrs H about deferment, and later about arrears. I can't say that Erudio has made an error by defaulting the account because arrears had accrued, and Mrs H didn't make any payments or respond to the Formal Demand.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 6 May 2024.

Emma Davy  
**Ombudsman**