

The complaint

Mr C complains Link Financial Outsourcing Limited trading as Thesis Servicing have unduly influenced the Student Loans Company (SLC) in not allowing a deferment to stand – leading to arrears on his student loan account.

What happened

Mr C has a student loan granted by the Government who initially had SLC running things. Every year, subject to Mr C meeting certain criteria, he's eligible to defer repayments towards his loan. The administration of the accounts was sold to Thesis with SLC remaining responsible for the deferment process – including deciding whether Mr C is eligible to defer or not.

As I understand it, SLC processed a deferment for Mr C for the year 2020 / 2021 and this went through. But, on 29 August 2022, SLC emailed Mr C and said:

As advised I have been in discussion with Thesis Servicing who administer your loan application for account xx, as well as reviewing the documentation you submitted with your deferment application this year, together with evidence received over the past few years.

Looking at your income for the tax year 2020/2021 your income was over the deferment threshold and therefore the deferment period previously granted 10/07/21 to 09/07/22, will be retrospectively cancelled, with payments becoming due for this period. Thesis Servicing will be updating their records to cancel this deferment period, which means repayments will be due to be paid for this period.

Mr C disputes he wasn't eligible for deferment and says Thesis have interfered and disrupted the deferment process with SLC. Mr C has also suggested the complaint handlers who dealt with his concerns at SLC and Link are married – creating a conflict of interest.

Thesis said while they're responsible for the administration of Mr C's account any decision regarding deferment is made by SLC. Thesis said they have no involvement or influence in the decision to accept or reject a deferment application. Thesis explained if SLC decide to cancel a deferment after it's previously been agreed then they'd need to contact the administrator and explain why. Mr C's administrator is Thesis, and they said they agreed Mr C hadn't disclosed his full earnings. Overall, they didn't uphold this complaint.

Unhappy with this, Mr C asked us to look into things. One of our Investigators did so – and after explaining we couldn't look at anything to do with SLC's actions - ultimately didn't uphold the complaint.

Mr C didn't accept this. Amongst other things, he said

- Thesis told him they have no input into the deferment outcome, but SLC said after consulting with Thesis the deferment cancellation was done – he points to this as fundamental.

- Despite his compliance with all deferment requirements, the deferment was cancelled which then meant arrears were unfairly applied.
- He raised his concerns to SLC who refused to respond further, and Thesis have denied any influence despite SLC saying otherwise.

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 think it's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

I also think it's key to explain I'm only able to consider a complaint against Thesis. SLC have their own complaints process, and the company SLC isn't authorised by the Financial Conduct Authority – which means I can't consider a complaint against them because they're unregulated.

I wanted to point this out because I need to ensure Mr C understands I can't decide anything to do with the decision to do the deferment by SLC, nor can I decide anything to do with SLC deciding to reverse the deferment. Whether Mr C properly deferred his loan, or whether SLC are correct in reversing that deferment I can't decide.

A significant amount of Mr C's evidence relates to his belief he has done everything correctly and it's entirely unfair his deferment has been reversed. But, in line with the above, I can't consider that.

What I can look at is whether Thesis have treated Mr C fairly in applying the arrears to his loan account.

In short, I'm satisfied they have, because SLC have decided the deferment needs to be reversed. As a direct consequence of SLC's decision, this means Mr C wasn't in a deferred period between July 2021 and July 2022. Because Mr C wasn't in a deferred period that means repayments have since become due for that period of time.

I can see why Mr C would find this extremely unfair. In his view he's complied with the deferral requirements – and it's only because of Thesis' actions that his deferment has been reversed.

As a starting point, I've not seen anything direct to show Thesis have influenced SLC's decision.

I realise Mr C will disagree with this – given he says SLC's email of 4 July 2024 says the deferment was "done in consultation with Thesis Servicing, who agreed to us taking this action." I don't appear to have a copy of this email, but I'll accept what Mr C has said here.

But, SLC's later email of 19 July 2024 says "We consulted with Thesis about our decision, because it resulted in your account falling into arrears, which Thesis were responsible for recovering."

Both SLC and Thesis have said the extent of Thesis' involvement in the deferral process is limited to SLC letting Thesis know Mr C's account is going to have arrears on it.

Beyond the above evidence – along with some similar examples – Mr C hasn't demonstrated to my satisfaction Thesis have altered SLC's decision making process.

Realistically, even if I were to decide that (which for clarity I have not decided that) Thesis had unduly influenced SLC, then as SLC are the only party responsible for his deferment – it'd seem appropriate to still say that isn't Thesis' responsibility.

In any event, I haven't seen anything to show me Thesis have acted improperly.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 October 2025.

Jon Pearce
Ombudsman