

## **The complaint**

Mrs B complains that Capquest Debt Recovery Limited trading as Erudio terminated her student loan account unfairly.

## **What happened**

Mrs B took out a student loan many years ago – the loans were originally taken out with a lender I'll refer to as "S". In 2014, the loans were then sold on to two separate firms – one being Erudio, and the other a firm I'll refer to as "T". Mrs B says she was unaware one of her loans had been sold on to Erudio. That's because she moved to a different country in 2013, and Erudio had been writing to her at one of her previous addresses.

Mrs B says that she had updated her address with S in 2013. And each year, she deferred repayment of her loans via S, who was responsible for managing the deferment of her loans.

However, in 2023, Mrs B says she was late in submitting her application to defer the loans. In November 2023, she received an email from Capquest, who were collecting the loan on behalf of Erudio, however she says she thought this was a scam so didn't follow up.

Then in December 2023, she submitted her deferment application to S as she always had. In 2024, S wrote to Mrs B to confirm that T agreed to defer the loan repayments. But Erudio had already terminated the accounts in September 2023 and so she could no longer defer the repayments.

Mrs B says she then contacted Erudio about the situation, but it said that the accounts had been terminated and the arrears were due to be repaid. That's because the deadline to submit her application had passed, and because of this the full outstanding balance was due.

Ultimately, Mrs B felt Erudio could have done more to contact her about deferment. She said that she had repeatedly asked S to contact her by email – it had her email address and so did Erudio. She also said that both S and T had the correct correspondence address for her, so queried why Erudio didn't.

Erudio responded to Mrs B's complaint, but it didn't think it had done anything wrong. It said it had corresponded with Mrs B at the address it had on file for her, and the one she had provided to S. It explained that a notice of assignment was sent to this address and deferment applications in March 2023 and April 2023. Because no application was received, repayments became due – and because no repayments were made a default notice was sent. Ultimately the account terminated in September 2023 when no repayment had been received.

An Investigator considered the evidence provided by both parties and in doing so, initially felt that Mrs B's complaint should be upheld. That's because they felt that while Erudio didn't have Mrs B's up to date address, it did have other contact information for her, and it could have used other methods to get in touch. Erudio didn't agree with the Investigator's view – stating that it didn't hold a correct contact numbers for Mrs B at the time of deferment and it

didn't have email consent for her until October 2024. So it couldn't have contacted her by other methods.

Upon receipt of this information, the Investigator changed their view on Mrs B's complaint. They then felt that Erudio had attempted to contact Mrs B at the address it had been provided – and it didn't hold any other contact information for her, so it couldn't have done more.

Mrs B didn't agree with the Investigator's revised stance on her complaint. She provided evidence to show that Capquest had contacted her on her email address in December 2023 – and so Erudio could have done the same. She reiterated that she couldn't have ever updated her contact details with Erudio, as she wasn't aware that it was involved in two of her loans until 2024, and didn't know of its existence until 2024.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

### **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 considered all of the evidence provided by the parties, I'm sorry to disappoint Mrs B, but I won't be asking Erudio to take further action. And I'll explain why below.

Before I do that, I wanted to make it clear I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mrs B's complaint in less detail than she has. If I've not reflected 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. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

It might be helpful to explain here the responsibility of the parties involved in this case. S was the previous owner of the loans. They were then transferred to Erudio to manage in 2014. S remained responsible for the deferment process of the loans. However, Erudio was responsible for anything outside of the deferment process for the account they serviced. This decision is solely about the actions of Erudio; however, I may refer to S or T for context.

In this case then, I can see Erudio wrote to Mrs B in 2014 to let her know it had taken responsibility for servicing her loans. This was sent to Mrs B's old address and so she wasn't aware of this. I am persuaded that Mrs B wasn't aware of the transfer of her loans until many years later. But this isn't something I can hold Erudio responsible for. Based on the evidence I've seen, I'm satisfied that Erudio contacted Mrs B on the address details that had been passed to it by S. So I don't think it did anything wrong here.

In terms of the deferment; as I've explained, S were responsible for communicating with Mrs B about deferment. I can see that in March 2023 and April 2023 S contacted her to request she submit her deferment application, if it was her intention to defer. S didn't receive a response to the deferment application until December 2023. By this time, the repayments on Mrs B's Erudio loans became overdue and because of this, Erudio sent Mrs B Notice of Sums in Arrears (NOSIA) letters in July 2023; then a default notice in August 2023; and the account was terminated in September 2023.

Mrs B has already accepted that she made her deferment application late. So I'm satisfied she did receive the information sent to her about deferment in March and April 2023. I'm also persuaded that she wouldn't have received the letters from Erudio about the arrears and the default. But what I'm required to decide here is if Erudio did something wrong in the way it contacted Mrs B; and if it did, what would likely have happened had Erudio made better attempts to get in touch with Mrs B.

I think Erudio could have done more to contact Mrs B. I can see it ought to have been aware in 2017 that Mrs B had moved abroad and so was no longer residing at the address it held on file for her. I say this because I can see from the notes it held that when it tried to contact Mrs B by one of the phone numbers it held, a male answered and explained that 'cust lives overseas' and there was no alternative contact number. In the knowledge that Mrs B had likely moved, Erudio should have done more at this point to obtain up to date contact details for Mrs B, given it was contacting her at an address it was reasonable to believe she no longer lived at.

I can see Erudio did make attempts to contact Mrs B in previous years on other contact numbers it held for her. As I've explained, one number was answered by someone else who didn't have another contact for her. And the notes suggest that the other number it held on file for her was invalid. Based on this, I think it was reasonable of Erudio to have not attempted to contact Mrs B by phone – that's because the numbers it held on file were no longer in use.

I've also considered whether Erudio should have attempted to contact Mrs B by email; and I think it should have – especially given that it didn't have a contact number for Mrs B, and it had reason to believe that she no longer lived at the address on file. Erudio hasn't told me when it obtained Mrs B's email address, it has just said it didn't get consent to use the email address until 2024. Based on what I've seen, I find it likely Erudio had Mrs B's email address for some time but just didn't use it to contact her when I think they could and should have.

Erudio has explained to me why it didn't contact Mrs B by email. Firstly, it has said that it isn't its process to send outbound emails. In my view, this isn't an acceptable reason not to contact someone when their account is about to default. Especially in light of what it should have known about the other contact methods it had for Mrs B. It has also explained that it didn't have consent to use Mrs B's email address. I'm not persuaded this is a satisfactory reason not to attempt to make contact with Mrs B about something so important. In addition to this, I can see from its privacy policy available on its website, it states that it can use contact information (including email addresses) obtained from third-parties; there is no mention of requiring consent to use that contact information. And I'm of the view that, in the circumstances of what's happened here, it would have been reasonable to have done so. And not doing so, could lead to a poor outcome for the consumer.

Given that I'm of the view that Erudio should have done more to contact Mrs B; I've now gone on to consider what would likely have happened had Erudio used a different method to contact Mrs B. It is of course difficult to know with absolute certainty what would have happened, and so I have used the other evidence I have available to me to decide what I think it most likely.

Firstly, Mrs B was aware that she was late in making the deferment application. As I've said, letters were sent to her in March 2023 and April 2023, but an application wasn't submitted until around December 2023. So, Mrs B was aware, or at the very least should have been aware that she hadn't made the deferment application on time and so repayments towards the loans were likely due.

Once Erudio defaulted and terminated Mrs B's account, it passed her account to a debt servicer, who I'll refer to as "C". C tried to contact Mrs B by email in December 2023. But Mrs B said she hadn't ever heard of C and thought it was a scam. So she didn't do anything about the email she got. Until she later realised (after S had told her about Erudio and that her account with it had been terminated) in October 2024 that C was a debt collector contacting her about the debt she owed on her student loan.

Mrs B has also said that she hadn't heard of Erudio or knew it existed until 2024. So, I'm of the view that if Erudio had tried to contact her by email, she likely would have assumed this to be a scam as she did with C, and so wouldn't have taken further action, and the account would have terminated regardless.

So even while I think Erudio could have done more to contact Mrs B; I'm not persuaded that had it done so, this would have prevented her account from defaulting and terminating. It follows that I won't be asking Erudio to do anything to put things right for Mrs B.

### **My final decision**

For the reasons set out above, I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 19 February 2026.

Sophie Wilkinson  
**Ombudsman**