

## **The complaint**

Mr H complains Capquest Debt Recovery Limited trading as Erudio Student Loans are asking for an excessive amount of information to consider deferring his student loan.

## **What happened**

Mr H has a student loan originally taken out with the Student Loans Company (SLC). For these kinds of student loans subject to certain criteria the repayment of the loans can be deferred. To defer a loan, Mr H would need to make an application every year – completing a deferment application form (DAF). If a DAF wasn't submitted within certain time limits, or wasn't accepted, then the loan repayments would become due. If those loan repayments weren't then paid when due, the account would terminate.

Mr H's loan terminated with Erudio in March 2022. He complained about the information Erudio had asked him to provide, and our service found Erudio hadn't done anything wrong.

When Erudio were replying to Mr H regarding his previous complaint, they told him if he submitted medical information then they'd consider whether to retrospectively apply the deferment. Mr H's new complaint is when he called them to try and do so, they wouldn't accept his medical evidence.

Mr H has also raised concerns saying Erudio were aware of his health conditions earlier than they've said – and that he wasn't offered the option of having a third party to help him manage his account. Overall, Mr H felt Erudio had breached the Equality Act 2010.

Erudio said the first they knew about Mr H's health conditions was 13 October 2022 when he emailed them. They said they replied on 28 October 2022 to update his account – and on the same day when Mr H called in Erudio told him he could have a third party added to his account. Erudio explained Mr H told them if he'd had a third party on his account when it terminated in March 2022, then he'd likely have been able to avoid that. Erudio explained their approach is to offer a third party when someone tells them about their health so didn't think they'd done anything wrong. Erudio added Mr H had told them he had medical evidence, and they gave him an email address for him to send it in to – and then they'd consider it. Overall, they didn't uphold Mr H's complaint and didn't think they'd breached the Equality Act 2010.

Unhappy with this, Mr H asked us to look into things. One of our Investigators did so. He found Erudio's agent didn't clearly explain what was potentially acceptable for the medical evidence – so awarded £150 and recommended Erudio reconsider the termination of the account upon receipt of the medical evidence. But, he couldn't find Erudio knew before October 2022 about Mr H's health, and thought their response about adding a third party was reasonable.

Mr H accepted this, but Erudio didn't. They provided documents showing they'd previously told Mr H what he could provide, so didn't think it was appropriate for the complaint to be upheld following a later phone call.

Our Investigator didn't agree with Erudio – and as Erudio ultimately didn't accept the outcome, 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.

#### *When did Erudio know about Mr H's health and is Erudio's position regarding offering a third-party fair*

Mr H says Erudio have known for a long time about his health conditions. My understanding is he's linking this to Erudio not offering him the option of having a third party on his account – and Mr H says if he did have a third party on his account then the account likely wouldn't have terminated.

Erudio say they only knew about Mr H's health from October 2022 which was after the account terminated. And they wouldn't offer a third party to be added to someone's account unless they were aware of any health issues.

To decide this I've looked through all of the information I've got. This includes Erudio's notes where I'd typically expect any health issues to be noted down along with the emails Mr H sent Erudio.

The email dated 13 October 2022 is when Erudio say they first knew about Mr H's health conditions. In this, Mr H says "For your information, I suffer from... Please follow your internal procedures and ensure my account is updated with this information and send me proof you have done this. Please let me know if you require any further information."

This email doesn't suggest to me Mr H had previously told Erudio about his health conditions – as he's not referring to having told Erudio previously. His email reads to me as though this is the first notification of his health conditions to Erudio.

This is supported by Erudio's notes. I've not seen anything in them to show they knew before this email of 13 October 2022 about his health conditions.

Mr H has also suggested SLC knew about his health conditions and should have passed them over. But, again, I've seen no evidence of this.

So overall, I've seen nothing to suggest Erudio knew before terminating Mr H's account in March 2022 about his health conditions.

In terms of Erudio's explanation regarding offering a third party I don't think their explanation seems unreasonable. So, I don't uphold this part of Mr H's complaint.

#### *Have Erudio communicated fairly about Mr H providing medical information*

Mr H says when calling Erudio they wouldn't accept the medical information he could provide – saying he'd spoken to medical professionals who weren't able to provide the specific information Erudio wanted.

Erudio said they didn't think they'd caused Mr H to think he couldn't provide his medical information and pointed to a number of situations where they'd told him what to do.

I've noted Mr H has referred to the Equality Act 2010 – saying Erudio have discriminated against him.

I can't make a legal finding that Mr H has been discriminated against under the Act, but I can decide if I think he was treated fairly. If Mr H wants a ruling regarding discrimination, he can seek legal advice about his options.

Our Investigator felt it was the call on 6 August 2024 which justified the uphold he'd reached – because Erudio set too high a bar for the medical information and this caused Mr H distress.

I've looked carefully at the information Erudio have provided to show they told Mr H about the options for submitting his medical information. I agree, they did. But, I don't think that automatically means if they gave him misinformation on the phone it didn't cause distress.

Although Erudio have sent us a phone call as well as the transcript of the call, I'm satisfied I can rely on the transcript.

Having read through this, I do think Erudio set the bar higher than necessary for the provision of medical evidence and weren't as clear as they should have been about the requirements.

Erudio told Mr H unless he can get a letter which explicitly says he wasn't able to defer during the period of time in question, then they couldn't help him. Mr H explains no doctor he's spoken to will commit to this – and Erudio reiterate this is the main way for the termination to be reviewed.

Erudio do explain about a medical write off – but in that situation Mr H would have to be permanently unfit for work which I can see he said didn't apply to him.

From my reading of the call, it's clear Mr H had tried to get what Erudio had previously told him in writing he needed to get and couldn't. So, he was calling Erudio for help to determine what more he could do – and was essentially told there wasn't anything else that could be done.

I'm satisfied that's caused Mr H distress because he was left feeling there was nothing he could have done – when actually Erudio's processes say they'd consider all medical information.

Because of this, I'm satisfied a fair remedy is to compensate Mr H £150 for the distress he's been caused – and to consider whether they would have allowed a deferment based on the medical information Mr H can provide.

To be clear, I wouldn't expect Erudio to review their decision until Mr H provides the information he's got. And, it's entirely Erudio's decision at this point about whether they reverse the terminated account or not and I can't pre-empt what they might do. If for any reason Mr H is unhappy with the outcome of Erudio's review, then he could raise a new complaint if he wanted to. I should also explain if Erudio decide to overturn the termination in 2022, it's likely they'll require more information from Mr H to consider deferments from then to date – given deferment is typically a yearly process.

### **My final decision**

I plan to partially uphold this complaint and require Capquest Debt Recovery Limited trading as Erudio Student Loans to:

- Pay Mr H £150 compensation
- Consider whether they should allow deferment upon receipt of the medical information Mr H has

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 February 2026.

Jon Pearce  
**Ombudsman**