

The complaint

Mr V complains Link Financial Outsourcing Limited trading as Honours Student Loans' (HSL) actions have led to him not being able to defer his student loan or benefit from the cancellation term.

What happened

Mr V has a student loan currently administered by HSL. The way his loan works is he's required to submit a deferment application form (DAF) every year. If he submits this in time, and it's accepted, then he can defer making any repayments to the loan. Although HSL administer the loan, the Student Loan Company (SLC) are responsible for deferments. If Mr V's deferment application isn't accepted, then repayments towards the loan become due. If those repayments aren't made, then arrears accrue. Mr V's loan also has a term which says it can be cancelled if certain criteria is met – one of which is there can't be any outstanding arrears.

Mr V has explained in November 2022 he submitted his DAF to SLC, but then HSL told him his deferment had been marked as incomplete due to missing payslips. Mr V says he'd explained this in his DAF. In September 2023 Mr V says he was made to defer again, but again it was marked as incomplete without any explanation. Mr V's account ultimately terminated, which he doesn't think is fair.

HSL provided a detailed explanation about why they didn't think they'd done anything wrong.

One of our Investigators considered things and didn't think HSL had done anything wrong.

Mr V didn't accept this. In summary he said:

- He believes he completed his DAF's correctly in 2022 and 2023
- He says the reason for the arrears was due to communication issues between HSL and SLC
- He was told by an HSL manager that he wasn't provided with the information to correctly defer (Mr V referred to SLC, but I think he meant HSL – as the email is from them not SLC)

Our Investigator asked Mr V to share this email – which he did. But, upon review, she didn't think it changed anything. As Mr V still didn't agree, 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.

As a starting point I think it's helpful to explain HSL aren't responsible for the deferment process itself – SLC are. So, Mr V's concerns about the DAF not being processed properly isn't something for HSL to address. Mr V could discuss that with SLC if he'd like to.

But, if HSL have involved themselves in the deferment process – even if it's in an effort to help Mr V – and have as a result of that caused an issue, then I can consider it. That's because HSL are administering the account.

Focusing then on HSL's communication, I've thought about what happened.

HSL's notes show they sent the DAF to Mr V on 14 October 2022 – and when he returned it just under two weeks later, they said they'd forwarded it over to SLC. On 19 December 2022, there is a note raising a question about why the DAF was incomplete. This would have been HSL contacting SLC to understand why.

From 10 January 2023 I've seen HSL try and contact Mr V without success until he then called on 1 June 2023. I can't see they did anything wrong in using the contact details they had, so in terms of the 2022 deferment I can't find HSL did anything wrong.

Moving on to the 2023 deferment, Mr V queried why this one had been marked as incomplete by SLC as well. I've seen in HSL's notes they asked SLC this. On 13 December 2023, HSL wrote to Mr V, explaining the reason SLC had said the DAF was incomplete was due to missing payslips.

I've not seen anything in this communication or after to suggest HSL did anything to cause an issue with Mr V's DAF being accepted by SLC.

I'm aware Mr V has said in HSL's email dated 10 January 2024 they say in a previous email of 13 December 2023 they didn't tell him what he needed to submit to SLC for his deferment to be reconsidered.

The email says:

Further to your recent telephone conversation with a customer service officer, we are writing to confirm that the Student Loans Company have provided us with the following response in regard to your deferment form application being marked incomplete.

"Deferment application is dated 07/09/2023 payslips are weekly and the last payslip for July is 15th. Require the remaining July weeks and the month of August."

HSL then go on to ask Mr V to send this information to SLC. So, although HSL have said they didn't tell Mr V what could be accepted, they have told him the reason. I think that's sufficient for Mr V to then question this if needed. It's not unreasonable as a starting point for HSL to believe Mr V may be able to provide the remaining payslips.

I'm aware Mr V has explained he doesn't work every week because of the job he has, so won't always have payslips. And he says he explained this in his DAF. But, because the SLC process his DAF, not HSL, this wouldn't be something I'd expect to be at the forefront of the agent's mind when replying to him to pass on SLC's concerns.

I'm also aware Mr V has said on numerous occasions he's struggled to speak to SLC. I'm sorry to hear that, as I imagine it's very frustrating. But, overall, this complaint is only against HSL, and for the reasons I've set out above, I don't think they've done anything wrong.

My final decision

I don't uphold this complaint.

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

Jon Pearce
Ombudsman