

## **The complaint**

Mr A complains Capquest Debt Recovery Limited trading as Erudio Student Loans Limited didn't process his deferment application in January 2025.

## **What happened**

Mr A has a student loan with Erudio. Subject to certain criteria, every year he's able to defer making repayments to the loan. To do this, Mr A has to complete a deferment application form (DAF). If Mr A's DAF isn't accepted, or received by Erudio in time, then repayments to the loan become due. If those repayments aren't made, then arrears will accrue. These loans can benefit from cancellation subject to the relevant conditions being met, one of which is there must not be any outstanding arrears.

Mr A is unhappy Erudio didn't process his DAF he sent in January 2025 by recorded delivery. Mr A also raised concerns about arrears Erudio said he owed.

Erudio said in their response to Mr A's complaint they acknowledged he said he'd sent his DAF by recorded delivery, but they hadn't received it – and asked him for evidence of it – but this hadn't been received. Because of that, Erudio didn't think they needed to do any more.

Unhappy with this, Mr A asked us to look into things. As part of our standard process, we asked Erudio for their file.

Erudio said they thought Mr A was referring to historic arrears when he'd mentioned them – as they'd been outstanding for some time – and felt they were part of this complaint but didn't think we could look into it. Erudio added they'd asked Mr A for the tracking number regarding the January 2025 deferment but it hadn't been received. But, if this was provided and Erudio accepted they'd made an error, then they'd consider Mr A's DAF and backdate it accordingly.

Mr A confirmed he did want us to consider his historic arrears, as well as the issue in January 2025 of Erudio not receiving his DAF. When replying, Mr A provided the tracking number.

We passed that on to Erudio, who then accepted they'd made an error as they confirmed they had received the documents, but they'd not been scanned on their system – and they only keep physical post for a short period of time. Because of this, they asked Mr A to resubmit his DAF and also offered £150 compensation. Mr A accepted the £150 but thought the arrears should be cancelled.

Our Investigator felt the issues regarding Mr A's historic arrears weren't something we could consider because of the rules we have to apply. And he felt Erudio's offer of £150 for the issue regarding the DAF in January 2025 was fair.

Ultimately Mr A didn't accept either of these outcomes, so the complaint's been passed to me to decide.

This decision only addresses the January 2025 DAF issue. I've decided in a separate decision our service can't consider the historic arrears.

### **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.

All parties now agree Mr A did send his DAF when he told Erudio he had. It's very disappointing Erudio lost his paperwork – so it's right they compensate him for this. That's because to submit another DAF, he's going to be inconvenienced by having to get the relevant paperwork / evidence together again.

I do think Erudio's response to this was fair, in asking Mr A for evidence so they could track down what happened. It's unclear to me why Mr A didn't provide this when they asked, but ultimately when he provided it to us – and we shared it with Erudio – they then made their offer.

I can understand Mr A's frustration about Erudio only keeping physical paperwork for a short period of time. From what they've said, they have a scanning system to put the paperwork on to their systems. So, in effect, there is no reason for them to keep physical paperwork for an extended period of time. I also can't ignore that Erudio offered to reconsider this if Mr A provided the tracking number in their reply of 21 May 2025, but he didn't provide it to anyone until he sent it to us in September 2025.

I don't know if this would have made a difference. But Erudio's offer was to reconsider Mr A's DAF and pay him £150 compensation. In the circumstances, I'm satisfied that's a fair outcome. I think this resolves the impact of not processing his DAF in terms of the deferment for the period of time in question and it provides fair compensation for the aggravation of Erudio losing this and then him having to redo the DAF.

I've no power to compel Mr A to take any action, so it's entirely his choice about whether he wishes to resubmit his DAF or not. But, if he doesn't, then I'd think it likely Erudio will follow their processes for recovering a debt that's outstanding without any kind of payment plan.

### **My final decision**

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

- Pay Mr A £150 compensation
- Reconsider his DAF if he resubmits it to Erudio

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 February 2026.

Jon Pearce  
**Ombudsman**