

## The complaint

Mrs D complains Capquest Debt Recovery Limited trading as Erudio Student Loans attempted to contact her about her student loans using incorrect contact information.

## What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

*Mrs D has listed out two addresses which are key to this complaint. As this decision is published on our website, I'll refer to them as the 'old' address and the 'new' address.*

*In the late 1990's Mrs D took out a number of student loans with the Student Loan Company (SLC). Later on, those loans were sold to different companies, who then appointed companies – including Erudio – to administer them, while SLC retained responsibility for any deferments of these loans.*

*The way the loans worked was if Mrs D met certain criteria – which typically related to her income – then she could defer any repayments that might otherwise be due towards the loans. A deferment application form (DAF) had to be sent to the SLC every year for the deferment to be in place – and the DAF had to be sent in by a specific time. If a deferment application either wasn't accepted by SLC, or wasn't applied for in time, then the repayments of the loan would become due.*

*In specific situations the loans could be cancelled - including if someone reached a certain age or had held the loans for a period of time. But if the account wasn't deferred and / or repayments made when due then the loan would be terminated by the loan administrators. Once terminated, any cancellation rights are lost as the terms of the agreement haven't been kept to.*

*Erudio are one of the loan administrators and would be responsible for contacting Mrs D if her loan repayments became due.*

*My understanding is Mrs D's deferment application was due in July 2022 but wasn't made – and because of that her repayments became due.*

*Mrs D didn't make her repayments towards the loans, and as a result of that the accounts terminated in November 2022.*

*Mrs D updated her address with SLC in July 2022 and believed this would be passed to Erudio by SLC on her behalf. So, she believed Erudio had her new address and would have written to her at it. She also believed Erudio had a valid phone number for her which they didn't use to try and contact her when the repayments became due.*

*The information I have suggests because Mrs D didn't know the payments were due, her account was ultimately passed to a solicitor who contacted her using her old address initially, before then finding her new address and contacting her. As a result of that, she then discovered her account with Erudio had been terminated.*

*In contacting Erudio to discuss these issues, Mrs D found she had proof they had received her new address, because in April 2024 they talked about the new address – and she also had a letter they'd sent to the new address dated 31 January 2023.*

*So, as Mrs D felt Erudio did have her correct contact details, she complained to them about this. In doing so, she asked for copies of all correspondence – saying she received a list of contacts but this didn't include where letters were sent to. And, despite asking for this, has never received it from Erudio. She was also unhappy that the solicitors who had been in touch with her had originally been given her old address. And she was unhappy Erudio hadn't replied to emails she sent them.*

*Erudio said it's Mrs D's responsibility to have updated them directly, as SLC can only tell them about a change of address in line with data protection laws, if the new address is recorded on the DAF. So, they didn't know Mrs D had moved. And when no response was received to their letters, they made a number of calls – but these also received no response. Erudio said because the account had terminated, they then passed it to a solicitor – and as they held Mrs D's old address on file, they passed it on in good faith. Erudio accepted they didn't reply to Mrs D within the 14 working days they aim to and were sorry for this. Overall, they upheld part of Mrs D's complaint and sent her a cheque for £50.*

*Unhappy with this, Mrs D asked us to look into things saying Erudio didn't provide the documents she'd been asking or even answer that point in their response to her.*

*One of our Investigators considered things. He found Erudio hadn't done anything wrong regarding terminating the account or in their communication regarding it. But he awarded an additional £100 for customer service issues – bringing the total compensation to £150.*

*Mrs D didn't accept this – and amongst her points was she wanted clarification of why Erudio provided the solicitors her old address, when at this point they definitely had her new address.*

*Our Investigator attempted to understand this, by asking Erudio a number of questions, but they didn't reply to him.*

*As our Investigator has given Erudio enough time to reply, I'm satisfied it's appropriate to go ahead and decide the outcome of this case.*

*Before doing so, I just wanted to set out I can see Mrs D has a number of concerns regarding SLC – but we can't consider a complaint against them, though I thank Mrs D for sharing SLC's answer to her complaint about them. This decision can only decide if Erudio have or haven't done something wrong or otherwise treated her unfairly.*

### ***What I've provisionally 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.*

*Did Erudio do anything wrong in terminating the account*

*Mrs D said she's got proof of Erudio having her new address, so doesn't understand why they'd written to her old address.*

*Erudio said in short Mrs D didn't update them, so they continued to write to her old address as that's what they had on file.*

*Erudio have referred to the terms and conditions in saying Mrs D was required to update her address with them. I've not seen a copy of the actual agreements Mrs D entered into, but I've been provided with a templated copy. This does include in it the term that requires someone to update their address directly with Erudio.*

*Even if this term didn't apply, I'd likely find it was fair and reasonable of Erudio to expect Mrs D to have updated her address with them.*

*It's clear from her communication she understood by telling SLC of her new address, then this would automatically be updated with Erudio – but unfortunately that wasn't correct.*

*So, as a starting point, I'm satisfied Erudio initially wrote to Mrs D fairly at the address they held for her because she hadn't told them she'd moved.*

*Erudio also held a phone number for Mrs D – which they tried and didn't manage to reach her. Mrs D has said at least one of those phone numbers never belonged to her – but it'd appear from the information I have at least some of the phone numbers were provided by Mrs D and seemingly weren't numbers on which Mrs D could be reached. Again, I can't hold Erudio responsible for this – so I can't say they've done anything wrong.*

*Mrs D has said Erudio had her email address and they should have used this. While I don't think it'd have been particularly unreasonable for Erudio have done so, I don't think I can fairly say this caused the situation Mrs D unfortunately finds herself in. I say that because the deferment wasn't completed when it needed to be and SLC did have her correct address. I also understand from Mrs D SLC sent the deferment applications by email – which she didn't realise had arrived. So, I can't reasonably say Erudio not using her email address would likely have changed the position Mrs D finds herself in.*

How did Erudio update the address

*Mrs D says Erudio did have her updated address because they sent her a letter in January 2023, and then when she called them in April 2024 they had it on record.*

*Erudio didn't address this point with Mrs D directly but did show our Investigator on 10 January 2023 they received an update from SLC with the new address.*

*It's unclear to me why SLC told Erudio about Mrs D's new address in January 2023. Information from SLC shows Mrs D was talking to them about her deferment around this time – so it's possible they decided to update Erudio proactively at this point.*

*But, why and how this happened is down to SLC – and as I'm deciding this case against Erudio my main focus is to consider whether they've done anything wrong.*

*From Erudio's perspective, they didn't know they were writing to Mrs D's old address in 2022 – because they weren't given her new address by anyone until January 2023. And, when SLC did send them Mrs D's new address, that seems to be the reason the letter on 31 January 2023 being sent to her new address. So, I partially agree with Mrs D in that Erudio did have her new address, but crucially they didn't have it until after her accounts had terminated. Because of that, I don't think they've done anything wrong here – although I*

*accept Mrs D's frustrations over the lack of explanation from Erudio about the timeline here is valid. I'll come back to this point.*

Why did Erudio provide Mrs D's old address to the solicitor

*Mrs D says as Erudio had her new address this is what they should have provided to the solicitor.*

*In answering her complaint, Erudio said they'd only had her old address on their records, so didn't think they'd done anything wrong.*

*Our Investigator attempted to clarify this with Erudio – pointing out that this doesn't seem sensible given by the time they'd passed the account over to the solicitors they had been told about the new address and / or at the very least should have passed it on to the solicitors.*

*Disappointingly, Erudio failed to reply on this point despite several chasers – which has frustratingly been a common theme in this complaint. So, I don't currently know why they at the very least didn't update the solicitors with the new address.*

*Where information is incomplete, contradictory or missing – as it is here because of Erudio's lack of explanation – I have to decide what I think is more likely than not taking into account the evidence I do have.*

*Taking everything into account, the evidence I currently have is Mrs D has told us the solicitors had her old address. In all the facts I have in this case, it seems more likely than not to me that Erudio provided that address to their solicitors. Why they did that I don't know.*

*Given that, I'll be upholding this part of Mrs D's complaint – I'll come back to this as well at the end.*

Other customer service issues

*Mrs D was also unhappy, once she found out how much was owed, that she was told by Erudio this couldn't be paused. She says she spent time working out how exactly to pay the balance outstanding, which caused a lot of anxiety, to then be sent a letter saying it was on hold.*

*Erudio say because they'd passed the account to their solicitors Mrs D needed to speak to them – but then when her concerns were passed to the complaints team this triggered an automatic hold.*

*I don't think it's unreasonable in the specific circumstances Mrs D was experiencing for her to expect to be told her account could have been placed on hold if she made a complaint. I'm satisfied the confusing communication here added to Mrs D's distress and anxiety.*

*Mrs D has also raised concerns about Erudio just ignoring her by not replying to emails and not providing her with what she'd asked for – specifically a copy of the actual letters sent in 2022 about the non-payment of the accounts.*

*Erudio have accepted they didn't reply to her emails but didn't reply to her about not sending her the letters.*

*Again, disappointingly Erudio have failed to answer our service on this point as well. So, I don't know why Erudio didn't provide Mrs D with copies of the letters as she says she asked for.*

*So, again, given the lack of information from Erudio I'll be upholding this part of Mrs D's complaint.*

### **Putting things right**

*In summary then I'm currently planning to uphold the above customer service issues. Collectively Mrs D has experienced more distress than she really needed to – and all of this comes down to Erudio's poor communication.*

*Mrs D has spoken of her frustration at either the lack of reply or that a reply she's received was incomplete. She was also very concerned that Erudio having given their solicitor her old address it'd impacted her credit report. Fortunately, she's since checked that and it hasn't, but that doesn't mean the concern Mrs D experienced over this wasn't real.*

*Taking everything into account, I'm currently planning to say an award of £300 in total is a fair outcome. If Mrs D has paid in the cheque for £50 Erudio originally sent her, then they only need to pay her a further £250. If Mrs D hasn't paid in the cheque they previously sent her it should be cancelled, and Erudio should pay her a total of £300. Both parties can clarify the position of the £50 cheque when replying.*

*I can also see Mrs D had some concerns about Erudio's handling of her complaint. Generally this isn't something our service can consider – so it's not something I've taken into account when reaching the outcome I have.*

### **Responses to my provisional decision**

Mrs D provided a detailed explanation of her thoughts around sharing her updated address. She also explained she'd tried to defer the account with SLC historically but as Erudio had already terminated it – despite admitting errors – they wouldn't do anything further on this point.

Mrs D added her primary aim had been to resolve the deferment issue – but she appreciated the focus I'd placed on compensation. She didn't feel the £300 properly reflect the impact on her, her husband, and also didn't think this amount would meaningfully encourage Erudio to communicate better.

Overall, Mrs D put forward two proposals – ideally have the deferment reinstated. But, if not possible, ask whether a compromise could be reached about making a one-off payment – as she can't afford to pay the full balance.

Erudio provided a detailed response about the address issues. They also said Mrs D never told them what letters she wanted which they felt was a big reason for the award of the £300 compensation. And, in response to Mrs D's proposals, they simply said they weren't prepared to reinstate the loans.

### **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.

### *Updating the address and termination of the account*

In her detailed submissions Mrs D has said she acted in good faith. I don't disagree with this at all and have thought carefully about everything she's said. But the difficulty for her is I'm required to judge Erudio's actions. They wrote and phoned the contact details they'd been given. They didn't know these were wrong – so I can't fairly require them to take further action when they haven't done anything wrong. I realise Mrs D will be disappointed, but I remain of the opinion it was her responsibility to update Erudio.

It follows I'm satisfied Erudio fairly terminated the account, and I don't require them to reinstate it.

### *Impact and Mrs D's proposals*

Mrs D says the £300 doesn't properly reflect the impact this issue has had on her or her husband, and isn't going to encourage Erudio to improve their communication.

When deciding compensation, the focus is to consider the impact of the issues on the person eligible to bring the complaint. Here, that's Mrs D. So, I can't factor in any distress Mrs D's husband will have experienced – though I do accept that's likely shared distress.

Likewise, the purpose of awarding compensation isn't to punish a financial business or encourage them to 'do better'. It's only to reflect the impact on the individual.

In Mrs D's case, the impact I found wasn't anything to do with the deferment. I have to separate out anything where I think Erudio have acted fairly, from anything where I think they haven't acted fairly.

So, when thinking about the impact it's not about the deferment or about what actions Erudio may now take because I don't think they did anything wrong in terminating the account. The compensation is solely focused on what I consider to be Erudio's poor communication in this complaint.

### *Erudio's thoughts*

Erudio have now provided more information – most of it relates to the address. I've already found Erudio didn't do anything wrong regarding this point, so I won't comment on that further.

In respect of the letters not being provided to Mrs D this was a small part of the overall failings I felt Mrs D had experienced from Erudio from a customer service perspective. I've noted Erudio have said Mrs D asked about the letters, and their note says she'll call back.

But, when thinking about things overall, I don't think this lessens Erudio's responsibility. They still didn't reply to quite a number of issues – including Mrs D's most recent proposal about a one-off payment which is disappointing and will undoubtedly add to her frustration.

### *Summary*

Thinking about Mrs D's proposals I can't agree for all the reasons I've mentioned that having her deferment reinstated would be a fair outcome.

I can understand why Mrs D would want us involved in negotiating with Erudio for a one-off payment – particularly given their poor previous communications with her. But, we only have power to consider a complaint that's been raised.

We did put Mrs D's proposals forward to Erudio, but they didn't reply on this. If we were to get involved informally, the best we could really do is pass messages back and forth. I say that because if Mrs D made a settlement offer, which Erudio wouldn't accept, we couldn't investigate this issue unless she then complained to Erudio and received an outcome. We also can't compel Erudio to accept any specific figure in settlement of a debt.

I will though remind Erudio they're required to treat Mrs D with forbearance, and if they don't accept any one-off settlement she offers, they can't ask her to pay more than she can afford. If Mrs D isn't happy with how Erudio handle this matter, then she could raise a new complaint, and contact us if she'd like to.

Overall then, I still think the fair outcome is a compensation payment to Mrs D. And I still think £300 is a fair way to put matters right.

### **My final decision**

I require Capquest Debt Recovery Limited trading as Erudio Student Loans to pay Mrs D a total of £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 4 March 2026.

Jon Pearce  
**Ombudsman**