

## **The complaint**

Ms R complains Capquest Debt Recovery Limited trading as Erudio Student Loans haven't treated her fairly regarding a deferment of her student loan in 2022.

## **What happened**

Ms R has a student loan serviced by Erudio. The way the loan works is it can be deferred – meaning Ms R wouldn't have to make repayments – if she meets certain criteria. Typically, deferment is in place for one year, but in certain situations it can be deferred for three years. If someone doesn't defer their loan, then it becomes payable. And, if someone then doesn't make their repayments they accrue arrears. The loan can also be cancelled subject to certain criteria. But if there are arrears this prevents the loan from being cancelled.

Ms R typically deferred every three years. In 2022, when her latest deferment came up, Erudio asked Ms R to provide up to date health information. Ms R says Erudio already have this on file, it's not changed, so didn't provide anything further. The account ultimately terminated, and Ms R feels like she's been treated horribly, victimised and discriminated against.

In a response dated 9 May 2023 Erudio said they thought it was reasonable for them to ask for up to date medical evidence, because her health hadn't always prevented her from deferring – so they wanted to understand why on this occasion it had.

Unhappy with this, Ms R asked us to look into this point, plus a number of others.

Another Ombudsman concluded the only issue we could consider was this complaint. And one of our Investigators reviewed matters, and didn't think Erudio had acted unfairly.

Ms R didn't accept this, so the complaint's been passed to me to decide.

Other complaints have been raised by Ms R, which she asked us to look into. Ultimately one of our Ombudsmen decided we could only look into her complaint about whether Erudio acted fairly in asking for further medical evidence. So, that's all I'll be focusing on.

I'm conscious Ms R was seeking support in handling this complaint with us. I can see Ms R was given additional time to respond, but that deadline has passed. So, I'm satisfied it's appropriate to go ahead with my decision.

## **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'm required to take into account the law, rules and regulations as well as other elements. But, I can't decide if Erudio have broken the law or not. This means I can't decide if Erudio have discriminated against her or victimised her, as only a court can decide that. But, I can look to see if she's been treated fairly.

In deciding this I think it's appropriate to be conscious of the Financial Conduct Authority's guidance on vulnerable customers. Based on what Ms R has told us – which I've taken into account but not reflected for her privacy as this decision is published – I'm satisfied she'd qualify as a vulnerable customer.

This essentially means Erudio are required to ensure she's treated the same, and given the same access to products and services, as people who may not be considered vulnerable.

When thinking about the deferment, this is a three yearly cycle for Ms R. In order to qualify, she needs to submit a deferment application form and associated information asked for, so then Erudio can assess it. This has a time limit in which to do so. In Ms R's case, she exceeded that time limit, so Erudio terminated the account.

In general terms, if someone doesn't reply by the deadline for their deferment, then as long as Erudio haven't done something wrong to cause that, we'd usually say it's fair for the account to have been terminated. And we wouldn't usually expect Erudio to reinstate the account.

Essentially what this means is Erudio aren't required to offer Ms R the option to retrospectively defer – so as a starting point I'm satisfied they've treated her fairly by suggesting they might reconsider the termination of the account if she provided more information.

Erudio explained Ms R had successfully deferred in 2019 and on previous occasions. So, to decide whether they should reinstate her account or not, they wanted a letter, signed and dated within the last 12 months by her doctor. Erudio asked for this letter to explain what conditions may have been relevant to Ms R not returning her loan deferment paperwork in time or contacting them, and for what time period she was impacted for.

I think this is a reasonable request from Erudio. She's previously referred despite her health conditions. And while it's clear those health conditions will make a deferment harder for her, she has previously deferred despite these. So, objectively, it's not unreasonable for Erudio to think something could have changed in her circumstances. And, as a reminder – they're not required to have offered this option.

I understand from Ms R's perspective she's said nothing has changed, and the health information she previously provided to Erudio showed these were lifelong conditions. Because of this, she doesn't feel Erudio treated her fairly in asking for this.

I do agree all of the evidence she's provided from her doctor show these are lifelong conditions that won't get better. But, in Ms R's case, I still don't think that means Erudio have treated her unfairly.

Overall, Erudio aren't required to offer this as an option but have, and what they've asked for has the potential to explain why there was a problem with Ms R deferring when previously she'd managed to do so. In all the circumstances of Ms R's case I'm satisfied that's fair and reasonable.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 15 April 2026.

Jon Pearce  
**Ombudsman**