

complaint

Mr W complains that Erudio Student Loans Limited ("Erudio") misinformed him about his right to settle his student loan early on a reduced balance.

background

When Mr W called Erudio in February 2015 he said he wanted to understand what he'd save if he paid the debt off early. But he says that Erudio told him no settlements were available and, as he's since discovered that other students have been offered settlement figures, he says he's missed out on an opportunity to settle the debt sooner and for less money.

So he contacted Erudio and complained. They listened to the call he'd had with them but they didn't think a settlement figure had been discussed. They explained that their agent had provided accurate information when they explained that a lump sum would reduce the balance but noted that, thereafter, no settlement figure was discussed. And they went on to explain that any settlement figure would be at their discretion and wasn't part of Mr W's contractual rights. So they didn't think they'd done anything wrong.

But Mr W did and he therefore referred his complaint to this service. Our adjudicator also listened to the call but it was her impression that the Erudio representative hadn't understood the questions Mr W had posed and she therefore didn't think it would be fair to suggest Erudio had acted inappropriately. She also agreed with them that a reduced settlement was not a contractual right and was therefore at Erudio's discretion. She didn't think Erudio needed to take any further action.

But Mr W disagreed and he therefore asked for a final decision by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I agree with the adjudicator's view and for similar reasons. Please let me explain why.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've also listened to the call. Mr W initially discusses the monthly payments and his deferment and then says the purpose of his call is to find out how overtime payments would impact on his repayments.

He asks about a settlement in a brief two minute conversation at the end of the call. I think it's pretty clear that the representative doesn't understand what is being requested. The representative tells him he can make a payment to reduce his balance and, whilst this isn't wrong, it's not what Mr W was asking. I think it's most likely Mr W would have understood

that the representative hadn't understood as well and could have rephrased his question or written to Erudio if he wanted a thorough response.

But I don't think it would be reasonable to then hold Erudio responsible for something that they didn't know they were being asked. I'm not persuaded that they misinformed Mr W.

Erudio are under no contractual commitment to offer reduced settlements so I don't think they need to take any further action here.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 16 May 2019.

Phil McMahon
ombudsman