

complaint

Mr H has complained Erudio Student Loans Limited's ('Erudio') is chasing him for arrears.

background

Mr H said Erudio caused his account to fall into arrears because it sent an application form for a deferment to his old address. He didn't receive it. This led to a period when he didn't have a deferment or repayment plan in place. The new deferment period was also delayed.

He didn't make any repayments during this period. Erudio's now chasing him for the arrears.

Mr H complained to Erudio saying the arrears were its fault. He asked it to write off the arrears and the outstanding balance on his account.

Erudio accepted it was partially to blame for the delay but said he'd not told it about his new address. It agreed to backdate the new deferment period and remove two months of arrears.

Mr H wasn't happy with response and so brought his complaint to this service.

Our adjudicator didn't think Erudio knew about his new address. She also thought both parties were to blame for the delay and that Erudio's offer was a fair one in the circumstances.

Mr H didn't agree with our adjudicator's view so this case has come to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm afraid I agree with our adjudicator's view and for the same reasons.

Mr H's address

Mr H's deferment for 2014/15 ended on 15 June 2015.

Erudio posted a deferment application form to his old address - the only address on its file.

Mr H said he told Erudio in August 2014 he'd changed address. He sent this service a copy of an annual statement dated 1 September 2014 bearing his new address. He said this proved it knew he'd changed address.

But Erudio said the annual statement was one of a number of documents included in a remediation pack, which it sent him in May 2016 - after it'd updated his address. It didn't alter the date of that statement but it did change his address. All the letters in the pack bear the same code and that's how it identified the pack.

It also said it only knew about his change of address in August 2015, when he returned the completed form. And it said it didn't have a record of a telephone call from him in August 2014 telling it about his change of address.

I'm afraid I agree with our adjudicator that based on this evidence, it's likely Erudio didn't know about Mr H's new address until August 2015.

delay

There was a delay sorting out the new deferment. Our adjudicator thought both parties were to blame for the delay.

Mr H said he emailed Erudio in May 2015 to say he hadn't received the deferment application form. Erudio sent him a form by email within two days. He replied with his supporting documents in July but, unfortunately, he'd attached a blank form instead of a complete one. Erudio posted a hard copy to his old address.

He returned the completed form in August but he didn't send any supporting documents because he'd already sent them. Erudio said it needed up-to-date financial information and asked him to resubmit the documents, which he eventually did. The deferment was approved in December.

I agree with our adjudicator that in these circumstances both parties were to blame for the delay. Anyway, Erudio agreed to backdate the start of the deferment period to August 2015 and wrote off two months' arrears.

I think Erudio's offer is a fair and reasonable one in the circumstances. I won't be asking it to do anything more.

arrears

In its final response letter dated 24 March 2016, Erudio said his arrears were £257.39. But an account statement dated 23 May 2016 said his arrears were £397.77. Mr H has queried the calculations.

I've checked with Erudio and it's now explained it made an error. It's confirmed the arrears are £257.39.

I hope this is now clearer.

I realise Mr H feels strongly about Erudio's poor service and I'm sorry this decision will disappoint him further but I'm afraid I won't be asking it to write off his loan.

my final decision

My final decision is I won't be asking Erudio Student Loans Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 November 2016.

Razia Karim
ombudsman