

complaint

Mr C complains Erudio Student Loans Limited didn't accept his application to defer his loan repayments when it should have done.

background

Mr C has student loans which he took out in the 1990s. These loans are now administered by Erudio Student Loans ("Erudio").

In 2014 Mr C says Erudio sent him a form which he was told he had to complete and sign if he wanted to carry on deferring repayment of his loans. Mr C says this form asked for unnecessary information and asked him to agree to a variation of the terms and conditions of his loans. Mr C says he didn't use the form because of this but provided Erudio with all the information it needed in a letter. Mr C complained when Erudio didn't defer his repayments.

Erudio investigated Mr C's complaint and said that it was entitled to ask for the information it had. Erudio subsequently sent Mr C a different form for him to sign asking for less information and offering to backdate his application. Mr C complained to us.

Our adjudicator didn't recommend that this complaint be upheld as she felt Erudio had asked for information it was legitimately entitled to. Mr C disagreed with our adjudicator's recommendations. So I was asked to come to a 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.

I can understand why Mr C objected to using Erudio's original deferment form. He felt that it asked for information which was unnecessary and intrusive. Erudio did, however, send Mr C a different form asking for less information and offering to backdate his application. Having looked at this form, I don't feel Erudio asked for any information it wasn't entitled to, nor that it was trying to change the terms and conditions of the original agreement.

Erudio offered to back date an application to defer from Mr C to May 2015 if he signed its new form in an attempt to resolve this complaint. The offer was on the basis that Mr C would have to pay any arrears due after the deferment period. Erudio said it would also send Mr C a deferment application pack for 2015/16.

Mr C said he thought he wouldn't be eligible for deferment for 2015/16 given his income. He didn't, however, accept the offer having seen the new form Erudio wanted him to sign. I feel that the offer was a reasonable one, so that's what I'll require Erudio to do in case Mr C now wants to now accept its offer having seen my decision.

my final decision

My final decision is that I require Erudio Student Loans Limited to backdate Mr C's deferment period for 10 May 2014 to 9 May 2015 provided he fills out and signs its new application form. Mr C and Erudio Student Loans Limited will have to agree what is to be done with the arrears due after the deferment period.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 December 2015.

Nicolas Atkinson
ombudsman