

complaint

Ms Z complains about the manner in which Erudio Student Loans Limited has administered her loan account. In particular she is concerned about the information it has registered on her credit file, its debt recovery approach and the level of customer service it provides.

our initial conclusions

Our adjudicator considered it was fair to uphold part of Ms Z's complaint. She agreed with Ms Z that Erudio had taken too long to deal with her request to defer her loan repayments. She considered that this caused Ms Z distress and inconvenience. Our adjudicator said that £75 was an appropriate award for this together with the £25 Erudio had already offered.

But our adjudicator said that she was satisfied that Erudio was entitled to register information about the deferral of payment on Ms Z's credit file. She did not consider that the company had acted in a manner that could be fairly described as "bullying" or "harassment" as Ms Z suggested.

Erudio accepted this recommendation. Ms Z did not. She reiterated her previous stance. In particular she re-emphasised that she was worried that the information on her credit file would prevent her realising her future financial goals. She said she considered she had been unfairly treated and just could not accept this recommendation. She asked that an ombudsman review her complaint.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

the company is entitled to register information on Ms Z's credit file

It's clear that Ms Z considers the goal posts have been moved since she took out her loan. She never expected the finance company to register information about loan payment deferrals on her credit file. She explains when she took out the loan she did so on the basis that "student loans were different" only to find out many years down the line that this just isn't so. Now she has a further concern because she considers the information Erudio has put on her credit file will have an adverse impact on her ability to borrow in future. I can well understand Ms Z's sense of frustration and why she's upset.

I see that Ms Z considers that Erudio is acting unfairly because it takes a different approach from other organisations and companies. She suggests that it's not right that Erudio should treat borrowers differently based on when they took out their loans. Further she tells us that she considers relevant legislation prohibits Erudio from taking the actions it has taken in relation to her.

But Erudio does not have to follow the commercial practices of other companies. And I am not persuaded that it has acted unfairly or unreasonably. Rather having looked at the relevant contractual documents I consider that Erudio is entitled to register information on her credit file about the deferral of her repayments. The relevant terms and conditions permit this. And she agreed to these terms and conditions when she took out the loan. So whilst I

have no wish to upset Ms Z any further I cannot fairly say that Erudio has done anything wrong here. So I do not uphold this part of her complaint.

It might go towards putting Ms Z's mind at rest to know that we have also talked to the credit reference agencies about this point. It is not entirely clear that the information put by Erudio on her credit file will have a negative impact on her credit score. If she wishes to find out more about this she would need to speak directly to the credit reference agencies.

Ms Z did not get the level of customer service that she should have done from Erudio

I realise that Ms Z considers that Erudio has acted inappropriately. She considers that its deferment process is needlessly cumbersome, intrusive and expensive.

But we cannot force Erudio to change this. It's for it to decide how it operates its business.

We can ask Erudio to make an award to her where as a result of its actions and processes she has received poor customer service. I agree it did take too long to process her application and it should have dealt with her request for information much better than it did. I consider that this would have caused her distress and inconvenience. I conclude that £125 in addition to the £25 Erudio has offered is a fair award for this. That said I do not consider she has shown that it bullied or harassed her. So I make no award for that part of her complaint.

my final decision

My final decision is that Erudio Student Loans Limited should pay Ms Z £125 for distress and inconvenience in addition to the £25 it has already agreed to pay.

Erudio Student Loans Limited must pay the total compensation within 28 days of the date on which Ms Z accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of the final decision until the date of payment at the rate of 8% simple per year.

If it considers it is legally required to deduct income tax from that interest, it must send a tax deduction certificate with the payment so that Ms Z can reclaim the tax if she is able to.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms Z to accept or reject my decision before 11 March 2015.

Joyce Gordon
ombudsman