

## **complaint**

Mr M has complained about the service provided by Erudio Student Loans Limited.

## **background**

Mr M took out student loans in 1996, 1997, 1998 and 1999, and he says it was some years before his salary reached the threshold it needed to meet before repayments were due. Mr M says that once he was due to start repayments he had entered his 50s, and so he called Erudio to talk about the 'age 50 condition' in the credit agreements. This was because it was his understanding that if he reached 50 before repayment of the loans, then the outstanding balance would be written off, and no further payment would be sought.

Mr M says that during the call, Erudio told him that he now needed to turn 60 before he could cancel the credit agreements. Mr M believes Erudio changed the condition of the agreements without his consent, and so he later wrote to Erudio asking for signed copies twice before he received them. And he stopped making his loan repayments in March 2016.

Mr M received copies of his loan agreements in June 2016, but said he didn't have time to read them until October 2016. He then wrote to Erudio maintaining the loans should've been written off when he turned 50, and asked for his loan repayments to be returned to him. He also sent Erudio other letters around the same time which returned undelivered.

Over a similar period, because Erudio had received no payments from Mr M since March 2016, it sent a number of letters from April 2016 onwards advising of arrears on his account, and it defaulted his account in November 2016.

As Mr M couldn't resolve the issue, he complained to Erudio. He said he was unhappy because the loans hadn't been written off when he turned 50, he didn't want his credit file impacted, and because Erudio hadn't responded to his letters.

Erudio didn't uphold his complaint. It said that Mr M was 41 when his last student loan was taken out, and the terms and conditions of his agreements explained if he was aged 40 or older when his last agreement for a student loan was made, then the loans would be written off if he wasn't behind with any repayments by the time he reached 60 years old.

It went on to say it was correct to default his account, and that while it hadn't yet reported this to credit reference agencies, it might still do so in the future. Erudio also explained it hadn't received a number of letters Mr M had sent because they'd been sent to the wrong address.

Mr M wasn't happy with Erudio's response to his complaint and so he referred his complaint to us.

An investigator looked into Mr M's complaint but she didn't think it should be upheld. She thought Erudio had given him the correct information about when the loans could be written off when he called them, and this was supported by the information contained within the agreements he'd signed.

She also noted that although Mr M had sent a number of letters to Erudio, he'd sent them to the wrong address. But she thought that even if Erudio had received the letters it wouldn't have made a difference. This was because Mr M still wasn't proposing to bring the account

up to date, and so she was satisfied he was liable for the loan repayments, and so Erudio still would've defaulted his accounts.

Mr M didn't agree with the investigator's opinion. He said he'd never been made aware that if he signed the last agreement aged 40 or older that the debt would only be written off when he turned 60. He said Erudio should've reverted the default once it had become aware Mr M had been writing to it, and he said Erudio had never sent him a final response to his complaint.

Mr M proposed that as a resolution to his complaint, he would pay the arrears on his account, along with the amount he was due to pay until he turned 60 as a way of settling the agreements, and his complaint. The investigator didn't agree with Mr M's proposal.

Because Mr M didn't agree with the investigator's opinion, his complaint has been passed to me for 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. Having done so, I've decided not to uphold the complaint, for broadly the same reasons as the investigator.

I've carefully reviewed the agreements Mr M signed at the time he took out the student loans. I can see Mr M last took out a student loan in 1999, when he was 41 years old. The agreements explain that if he was older than 40 when he last took out a student loan, he needed to make repayments until he was 60 before Erudio would write off the loans.

I accept that this condition isn't particularly prominent and that Mr M might not have noticed this at the time he took out the loans. But I'm mindful Mr M called Erudio to find out when he could stop making repayments, and he says he was told he needed to continue making repayments until he was 60. So even if Mr M didn't have this information in writing at the time he made enquiries and stopped making his loan repayments, he had at least been put on notice over the phone that he should continue making his loan repayments.

However, it's clear Mr M wasn't altogether persuaded by what he was told over the phone, and so he went on to write to Erudio requesting copies of his signed agreements in October 2015. In February 2016 it appears Erudio told Mr M it needed to retrieve his signed agreements from a different company.

Mr M chased Erudio for the agreements in May 2016, and it finally sent him them in June 2016. I appreciate there was a delay here, but nevertheless, I don't think it was reasonable for Mr M to stop making repayments in the interim, particularly as the call handler had previously given him the correct information. I also note that it took Mr M four months to read the agreements by his own admission, and I don't think this is reasonable either given they weren't particularly lengthy, and he was withholding repayments during this period.

At around the time Erudio sent him a default notice, Mr M started writing to Erudio at the incorrect address. This isn't Erudio's fault, and I agree with the investigator, that even if Erudio had received these letters, there was nothing contained within them which make me think it shouldn't have gone on to default Mr M's account.

Finally, while Mr M says Erudio never addressed his complaint, I've seen a detailed final response letter addressed to Mr M, and I've seen evidence this was sent to him. So on balance I think this letter was more than likely sent. And even if Mr M didn't receive it, this would make no difference to my decision.

I know my decision will come as a disappointment to Mr M, but because I don't think Erudio has done anything substantially wrong, I won't be asking it to do anything.

**my final decision**

For the reasons set out above, I don't uphold Mr M's complaint against Erudio Student Loans Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 May 2017.

Katie Doran  
**ombudsman**