

complaint

Miss B complains that Erudio Student Loans Limited hasn't written off enough of the arrears on her loan accounts.

background

I set out the background to Miss B's complaint in my provisional decision. In it, I said that I accepted that Miss B had told Erudio about her change of address. And she wasn't to blame for the fact that it says it never received her letter.

Equally, I accepted that Erudio had sent Miss B a letter about her arrears in December 2015. And it wasn't to blame for the fact that she says she never received this letter.

I thought that it was unfortunate that each party had not been aware of each other's letters. But ultimately I didn't think this was why Miss B had run up arrears for the period 2015/16.

Rather, I thought Miss B ought reasonably to have known when her deferral period ended as she been deferring for many years. And she had most likely been told when she'd deferred for 2014/15 when she'd need to apply for her 2015/2016 deferral.

Further, she also ought reasonably to have known she'd not filled in her deferral application for 2015/16. I think she was aware or should've been aware that her right to defer depended on her proving her eligibility, each year, by filling in her application form. She'd not done this. So it was reasonable, that in line with the relevant terms and conditions, her loan payments had become due. When she'd not made payments, she ran up arrears. She could've avoided this if she contacted Erudio for her form and filled it in. Instead she took no action for many months.

For all of these reasons I didn't think Erudio had to take any further action, and I said I didn't intend to uphold her complaint.

Erudio responded to say it had nothing else to add.

Miss B sent a detailed response.

In summary, she told us she was disappointed with my provisional decision.

Further, she repeated she'd never received Erudio's letter of December 2015.

She said it looked like I was saying she was responsible for making sure Erudio got her change of address letter. But I also seemed to be saying she was responsible because she didn't get Erudio's letter of December 2015. So she was being penalised both ways.

Miss B explained she would've responded if Erudio's letter of December 2015 had ever reached her, but it didn't.

She asked for proof that Erudio had tried to call her in May 2015.

All in all she suggested I was biased against her and towards Erudio.

She thought that the arrears dates were wrong. As she has been told her 2014/2015 deferral periods ended in June and July 2015. But it seems Erudio have registered arrears from April 2015 which she said was incorrect. She wanted this put right.

my findings

I thank both Miss B and Erudio for their responses. I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm sorry to hear Miss B is disappointed. That was not my intention. I think, with regret, I am going to inevitably disappoint her further. This because having looked at the responses, I've come to the same conclusions as I set out in my provisional decision and for the same reasons.

the right to defer is conditional

Miss B seems to feel very strongly about her complaint. And I get why she does, she says she was always under the income threshold. So if she had applied in time, she would've got the deferral.

I see her point, but, I don't see it that way. She didn't have an absolute right to defer. Rather, she had the right to defer subject to sending in her form. Then Erudio would've assessed it. And only then, if it agreed she met the relevant conditions, might it have agreed to the deferral. That is what the relevant terms and conditions say and she accepted these. And in the circumstances I don't think it's fair to ask Erudio to waive those terms and conditions. She didn't fill in the form, in time, and return it. And I've not seen anything that explains why she took so many months to do this. So I don't think it is unfair that she now has arrears. Although I see that Erudio has written off some of the arrears.

the letters

I'm not saying she was responsible for making sure Erudio received her letter. I'm saying based on the information I've seen, it seems likely the correctly addressed letter she sent to Erudio, was delivered to it. Why it didn't have a record of receiving it, I can't explain. But Miss B is not responsible for this and she was entitled to assume it had received her letter.

Erudio also has sent me information to show it sent her a correctly addressed letter in December 2015. Based on this, I think it likely the letter was delivered to her. Why she didn't receive it though, I can't explain. But I don't think Erudio is responsible for this and it was entitled to assume she had received its letter.

I agree with Erudio I can't assume that she would've responded if it had contacted her earlier. Because she didn't write back to it or contact it in December 2015.

I don't see how this is penalising Miss B both ways.

the phone calls

Erudio's internal records show it made calls to her. I don't think it is more likely than not, that whoever filled in those records put in false information. That may not be proof enough in Miss B's opinion, and I can see why she'd say that. But it goes far enough to satisfy me that the calls were made.

bias

I'm very sorry that Miss B thinks I'm biased towards Erudio. I disagree. I'm impartial. I've looked at everything that was available to me. And only after having done so did I reach a conclusion.

it's not fair and reasonable to uphold Miss B's complaint

I think Miss B had every intention of deferring her repayments. But, sadly, she didn't fill in and return her deferral form for 2015/16 to get the ball rolling. And because she didn't do this she ran up arrears.

For all of these reasons I don't think it's fair to make Erudio take any further action about this part of her complaint.

the deferral dates

Miss B and Erudio both seem to agree her deferral periods ran out no earlier than June 2015. I'd expect Erudio's records to show the correct deferral dates. It follows the arrears should not be showing as starting from April 2015. If Miss B thinks Erudio has got this wrong or has not corrected its records she can come back to us about this one limited point and we will look at this. But up until now the thrust of her complaint has been that she owed no arrears at all.

might Erudio think about making a goodwill gesture?

It is a very unfortunate that Miss B didn't fill in her deferral form when she should've done.

I can't make Erudio do this, as I think it has done nothing wrong. But might it consider looking again at this matter? Might it ask Miss B to give it all the information for the period when she ran up arrears and to fill in the form? And then as a goodwill gesture could it assess her application. And if she would've qualified for a deferral might it waive the arrears? I leave this to Erudio to think about.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 23 January 2017.

Joyce Gordon
ombudsman