

complaint

Mr H has complained that he's been having difficulties with Erudio Student Loans Limited about the deferment of his student loans, as it won't accept the information he's sent it.

background

Mr H took out a number of student loans which were later transferred to Erudio. Mr H wanted to defer repayment of these loans as he had done previously. Each deferment lasted for a year, so he wouldn't have to pay back his loan in these periods.

To defer the repayment of the loan, Erudio needed evidence of Mr H's gross salary to make sure it was under the specified limit. Mr H sent copies of his payslips but he had blacked out some information. Erudio said they could not accept the payslips as they had been defaced. Mr H complained saying that this had been accepted before and that his gross salary was not blacked out.

Due to the time Erudio took to investigate, Mr H complained to us. During our investigation he received a letter from Erudio saying he was two months in arrears. Erudio then wrote a final response to Mr H in July 2017 to tell him they accepted his application for deferment and removed any arrears from his account. They said this was because his gross pay was visible on the redacted documents and they had accepted this the previous year. But they have asked that any future evidence is clear and unmarked.

Whilst Mr H had the deferment agreed and all arrears removed, he still wished to be compensated for the time spent complaining about this matter. The investigator felt Erudio were entitled to ask Mr H for unredacted copies of his payslips. And he was satisfied with what Erudio had subsequently done to resolve matters. As a result, he didn't think Erudio needed to pay Mr H compensation.

Mr H didn't accept the investigator's conclusions. On reviewing matters, I was originally inclined to uphold the complaint as I couldn't see the information was required by Erudio. But on receiving further evidence, I was minded to change that position and explained my reasons to Mr H. Having received responses from both parties, I'm now able to provide my 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. I won't be upholding this complaint. I'll explain why.

I needed to consider whether Erudio acted reasonably when they rejected the redacted payslips. Firstly, I considered whether it was fair for them to require unredacted documents. Whilst Erudio only ask for proof of gross income, I think it's reasonable for a business to want to see the whole document. This is because it may be required to assist with verifying authenticity, and view any other relevant elements of the document to be satisfied Mr H or other consumers met the relevant criteria for loan repayment deferment.

I then considered what Erudio says about this in its paperwork. Erudio's terms and conditions say that it will need proof that gross income is less than the specified deferment level. These terms or their 'How-to guide' don't mention that other information couldn't be

redacted. But I wouldn't expect such documents to speak about every eventuality, and I think most consumers would send in unredacted documents despite this not being clarified. In cases where redacted information is sent in, I'd expect Erudio to tell consumers promptly what they need to do to prevent delays in the deferment process, which Erudio did in Mr H's case. So I think they've acted in a fair and reasonable way in relation to this.

Finally, I considered whether it was fair and reasonable to ask for unredacted documents when they'd accepted redacted ones from Mr H previously. Behaviour in previous years doesn't set a precedent that Erudio must follow. Businesses such as Erudio are entitled to change their mind. I think it's fair and reasonable to make the request for un-redacted documents, regardless of what was accepted in previous years. Further, I think it is worth noting that Erudio has said future submissions will need to be unredacted, so it looks like the position will now be now clear to Mr H.

my final decision

For the reasons I've explained, I don't uphold Mr H's complaint against Erudio Student Loans Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 March 2018.

Katherine Jones
Ombudsman