

complaint

Mr G complains about a student loan account he has with Erudio Student Loans Limited. He's unhappy that Erudio has asked for payment of approximately £2,000 and believes it has failed to deal with his deferment correctly.

background

The complaint was considered by one of our adjudicators and she explained why she didn't believe she could uphold the complaint. She referred to the attempts Erudio had made to contact Mr G about the account and thought that Mr G could have contacted Erudio had he not received the deferment forms. Looking at everything provided, the adjudicator didn't think there were grounds to recommend Erudio apply a deferment or cancel what was outstanding on the loan.

Mr G was understandably unhappy about the response and as the complaint couldn't be resolved informally, it's now been referred to me for consideration.

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 believe I will disappoint Mr G further as I haven't upheld his complaint.

Mr G has had a student loan with Erudio since 1999. Under certain conditions, Mr G can apply to defer the loan repayments for 12 months, after which a further application is received. Mr G changed his address in 2014 and a deferment application form was sent at that time. Erudio says it didn't receive the completed deferment application form and the loan was not therefore deferred. Where a loan isn't deferred, the repayments become payable and if not paid start to build up as arrears on the account.

Since late 2014 Erudio says it has sent numerous letters and made attempts to contact Mr G. Mr G however says he's not received the letters from Erudio. I can't be certain if all of the letters were sent or if Mr G didn't actually receive any of the letters. It's possible some letters weren't sent and equally possible some weren't received. Although I note what Mr G has said about not having any other issues with his post, I think it's unlikely that Erudio didn't send at least some of the letter. I also think it's unlikely that Mr G didn't receive some of those letters sent.

Notwithstanding the letters, I agree with what the adjudicator said and that it's reasonable to have expected Mr G to at least make further enquiries when he didn't receive the deferment forms to complete after he changed his address. I also think it's not unreasonable to have expected Mr G to make further enquiries if he hadn't received subsequent deferment forms.

Although I cannot be certain exactly what was sent or received I think that Mr G would, or should, have been aware that his deferral had not been completed. And therefore that payment would have been due on his account. Having very carefully considered what the parties have said here, I don't therefore think there are grounds to instruct Erudio to accept a back dated deferral.

Erudio has now said that the loan has matured and this is why it has asked Mr G to settle the balance in full. Erudio has referred to the periods where the loan wasn't deferred and that these amount to the 60 month term of the loan. Having considered the periods of repayment (or non-deferment) I'm satisfied the loan has now matured. Because of this, it's not unreasonable for Erudio to seek full repayment of the loan balance.

I appreciate what Mr G has said about his current income, in comparison to the amount due. However, as Erudio has already referred to, Mr G should seek further advice if he's not in a position to meet the amount now due.

Finally, Erudio has said that it didn't receive Mr G's original complaint but that it dealt with the complaint reasonably once we had made it aware of the complaint. Again, I can't be sure if it did receive the original complaint but I'm satisfied it did deal with the complaint once we made it aware of the complaint.

I again appreciate Mr G will be unhappy with the outcome of the complaint here but I haven't however seen sufficient evidence to uphold the complaint.

my final decision

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 April 2017.

Mark Hollands
ombudsman