

complaint

Mrs K complains that Erudio Student Loans Limited (“Erudio”) should have written off a student loan of hers. She also says Erudio phoned her when she’d clearly asked to be contacted by email only and that it took too long to give her an answer about her complaint.

background

It appears that Mrs K took out a number of government student loans between 1997 and 1999. The loans have now been sold to Erudio. Erudio contacted Mrs K about repayments in around November 2014. Mrs K says this came as something of a surprise as she hadn’t been told the loan had been sold on. She emailed Erudio and told it her debt should have been written off. This is because she had taken out the first loan before she was 40. This means it should have been written off when she turned 50. At the same time, Mrs K also asked to be contacted by email only.

The process of verifying who Mrs K was, answering her query and then dealing with the complaint that followed took around five months. Erudio didn’t agree with Mrs K’s complaint. It said the criteria for writing off the loan depend on how old Mrs K was when she took out her last student loan, not the first. And Mrs K was over 40 when she took out the last loan. This means her loan will be written off when she turns 60.

One of our adjudicators considered Mrs K’s complaint. He didn’t think Erudio had done anything wrong in asking Mrs K for the debt. Because of Mrs K’s age when she took the last loan, he didn’t think Erudio needed to write off the loan when she turned 50. But he did think Erudio’s customer service could have been better. So he suggested it pay Mrs K £100 to compensate her for any unnecessary stress and inconvenience she’d been caused

Erudio agreed with the adjudicator’s assessment and offered to pay Mrs K £100. Mrs K doesn’t agree so the 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 that, I have to tell Mrs K I’m not directing Erudio to write off the debt.

Erudio has provided us – and Mrs K – with the criteria Mrs K must meet for the loan to be written off. And there’s no real dispute about these. Mrs K’s main argument is that these weren’t made clear to her. But there’s no evidence that anyone misled Mrs K about the terms. And ultimately, as Mrs K was in the middle of her studies when she applied for the last loan, I don’t think clearer information would have made any difference. I understand Mrs K has found herself in very difficult circumstances over the last few years. But overall I’m sorry to tell her that I don’t think it’s fair to direct Erudio to write off the loan when Mrs K has had the money to use for her studies.

However, I do agree with the adjudicator that Erudio should have changed its records to contact Mrs K by email and not by phone. Given the number of times this happened, I think £100 is a fair amount to compensate Mrs K for any unnecessary stress or inconvenience this caused her.

my final decision

For the above reasons I direct Erudio Student Loans Limited to pay Mrs K £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 3 December 2015.

Ross Crawley
ombudsman