

## **complaint**

Mr D has complained Erudio Student Loans Limited didn't keep a proper record of the payments he'd made. This resulted in them asking him to pay arrears when he didn't feel he had any.

## **background**

Mr D took out student loans many years ago. He made efforts to pay off arrears as well as maintain his regular payments. He was surprised when he got letters from Erudio stating his arrears remained over £700. He asked them why he'd been told he could overpay and money would offset his arrears rather than the main loan amounts.

Erudio offered Mr D £100 for the mistakes they'd made and confirmed no information about his arrears had been marked on his credit record. Mr D brought his complaint to the ombudsman service.

Our adjudicator asked Erudio to ensure all of Mr D's additional payments offset his arrears and then repay him any excess, as well as £200 to reflect the errors they'd made. She noted Mr D wouldn't have made all the payments if he'd known they were repaying the capital as he couldn't afford it.

Erudio accepted this outcome. Mr D felt £200 wasn't enough because of the trouble this had caused him. His complaint has been passed to an ombudsman to complete.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There's little left in this case for me to decide. Like our adjudicator I believe it's clear Erudio should have kept Mr D better aware of what was happening to his overpayments. I'm sure he'd not have paid all this money if he'd known it wasn't paying off his arrears.

I've also seen the letters Erudio sent Mr D last November and I appreciate how confusing this must all have been. Erudio agree they made a mistake and will put it right. This includes repaying any money to Mr D they've received from him in excess of his arrears. And providing him with a clear updated statement of his account balance.

They've already said they've not reported any information about his arrears to credit reference agencies. That's as it should be.

However Mr D doesn't think £200 is fair and wants £400 which he believes will put things right. I've carefully considered this. But in the end I agree with our adjudicator £200 is a fair amount. Mr D hasn't lost out financially but he has been worried by what has happened. I believe £200 is a fair amount in light of what happened to him.

I believe Mr D didn't cash the £100 cheque Erudio sent to him earlier this year. If this is the case, they can cancel that cheque and send him £200 instead.

### **my final decision**

For the reasons I've given, my final decision is to instruct Erudio Student Loans Limited to:

- Pay back any money which didn't go to meet Mr D's arrears to him.
- Add 8% simple interest to those amounts from the date he paid the money to them until the date of settlement;
- Give Mr D a clear and updated statement of the balance of his account;
- Ensure no data about Mr D's old arrears is put on his credit record; and
- Pay him £200 for the trouble this has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 17 September 2015.

Sandra Quinn  
**ombudsman**