

## **complaint**

Mr G has complained about how Erudio Student Loans Limited (Erudio) has managed his application to defer payment on his student loan.

## **background**

Mr G applied to defer his student loan. He was unhappy about the form Erudio wanted him to sign but provided the other information to support his application. Erudio told him they wouldn't agree his application until he signed the form. Mr G felt this changed the terms and conditions of his original loans and complained to Erudio. They said they'd done nothing wrong.

Mr G brought his complaint to the ombudsman service. He was unhappy Erudio hadn't answered his complaint promptly. He also doubted Erudio could change the terms of his loans to share data about his loans and require him to sign up to direct debit payments.

Our adjudicator reviewed his correspondence and agreed Mr G didn't have to use the form he'd been asked to sign. As Erudio now used new forms they could get him to sign one of those instead and then process his deferral. Erudio agreed to pay Mr G £100 as they'd not dealt with his complaint well.

Mr G didn't agree with this outcome and asked an ombudsman to review his complaint.

## **my findings**

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

Firstly I can understand why Mr G didn't want to allow Erudio to report information on his loans to credit reference agencies. But they have accepted this was not part of the terms and conditions of all of his original loans. And I know Erudio has confirmed they've not passed any data about his loans to credit reference agencies. I can't see Mr G has lost out

It's fair to say Erudio has changed some of its administrative processes since it first took over Mr G's loans. These have been based on their experience of managing student loans. For example the direct debit mandate is now optional and they have changed the amount of information required from someone applying to defer their loan. So I believe this process should now be easier for him. I'm sure they will provide him with updated documentation so he can now complete that, or they will process his application on the old form without his signature.

I can see this is a point of principle for him. And he may well think this is bureaucratic and doesn't meet what he feels he signed up to when he took out his loans in the 1990s. However I don't believe asking him to sign and date a form – when corrected – is an unreasonable request, and helps Erudio to manage the deferral requests it receives.

Erudio didn't acknowledge Mr G's complaint or respond to him within the eight weeks required by the Financial Conduct Authority. They've agreed to give him £100 partly to put things right. I believe this is fair. Similarly Mr G should not be considered to have been in arrears with his loan because of any delay in sorting out his application to defer.

**my final decision**

For the reasons I've given, my final decision is to uphold Mr G's complaint. I instruct Erudio Student Loans Limited to:

- Accept Mr G's application to defer without a signed form or provide him with an update form to sign and return;
- Ensure Mr G's loans do not show any arrears because of delays in completing his deferral; and
- Pay him £100 for the way they managed his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 September 2015.

Sandra Quinn  
**ombudsman**