

## **complaint**

Mrs R complains about Erudio Student Loans Limited's handling of her student loans.

Mrs R is represented by her husband in bringing her complaint, but for ease I'll refer to all submissions as being made by her.

## **background**

Mrs R took out student loans with another company, which were eventually passed to Erudio.

In June 2016 she contacted Erudio to say that:

- payments were wrongly taken in 1999
- Mrs R was of the understanding that she had deferred her loans, so it had incorrectly recorded arrears on these which it was now asking her to repay
- Erudio's deferral process isn't properly administered

Erudio explained that the loans it was passed became repayable the April after Mrs R's graduation or withdrawal from her course. There were no payments taken in 1999, so Erudio couldn't see that there was anything for it to refund. But payments were taken between October 2000 and April 2001 by direct debit.

After this, her payments were deferred until May 2014 – at which point the loans became repayable again. Yet no payments were made and no deferment was completed until April 2016, which is why arrears had accrued.

Mrs R referred her complaint to us, where one of our investigators looked into it. She saw Erudio had said the complaint relating to the payments in October 2000 and April 2001 had been made too long ago for us to consider, given the rules that apply to this service. She agreed that we couldn't consider this part of the complaint for this reason.

Our investigator also couldn't see that Erudio ever received the information it needed to defer Mrs R's loans, so she couldn't say that the arrears are incorrect. They were accrued in line with the terms and conditions of the loans - where payments weren't made and the loans weren't deferred. She also explained that Mrs R's wider concerns about Erudio's processes weren't something this service could consider.

Mrs R disagreed so the complaint was passed to an ombudsman to decide.

## **my findings**

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

It's clear that Mrs R feels very strongly about this situation. She's provided lots of information to show what she feels is evidence of wider concerns about Erudio's processes and procedures. I've had regard for all the information she's provided us, but here my role is to consider what's fair and reasonable in the circumstances of this individual complaint. Having done so, I'm sorry to disappoint Mrs R but I won't be telling Erudio to do any more. I'll explain why.

Like our investigator, I agree that Mrs R's complaint about the payments Erudio took in 2000 and 2001 has been made too late for this service to consider. Under the dispute resolution rules (DISP) which apply to this service, we cannot consider a complaint if it's made more than six years after the event complained of; or (if later) more than three years from the date on which the complainant became aware (or ought reasonably to have become aware) that he had cause for complaint.

These payments were taken over six years ago and Erudio has confirmed that they were made by direct debit. So I think it's fair to say that Mrs R would have been reasonably aware that she made these payments at the time – which was more than three years ago. So we can't consider this part of her complaint.

I'll turn now to the issues surrounding the arrears on her loans. Erudio has confirmed that the loans were deferred for a significant number of years. But, in May 2014, these became repayable again. If Mrs R wanted to defer her loans after this time, then she would have needed to provide Erudio with certain information in order to complete its deferral process.

In July 2014 Erudio's records show that it spoke to Mrs R about her loan and was told that it had been sending letters to an incorrect address. The notes show that Erudio made sure that her address was up to date on its systems and advised her of the risk of arrears accruing at this time. It also sent her a deferment application form to complete.

The next record of any contact is in September 2014, when Mrs R emailed Erudio regarding deferment. It responded to explain it hadn't received a completed deferment form, or the supporting evidence that it needed to complete this process, so it sent this to her again.

After this, Erudio's records show that it was consistently contacting Mrs R about her loans. It was trying to call her and I've seen copies of arrears notices which advised her of the situation with her loan and the arrears which were accruing.

It was only in March 2015 that I can see that Mrs R contacted Erudio again. The records show that she called in to ask for an income and expenditure form to complete to try and get her loans deferred. Erudio advised her that there were arrears on her loans that she needed to pay and sent her this form. But there's no record of this ever being received.

After this, Erudio continued to try and contact Mrs R about the status of her account. In February 2016, she contacted it again to ask for a deferment form and Erudio sent one, this time advising her that the account might be terminated if payments weren't received or an arrangement agreed. Erudio received this deferment application. It needed some extra information before it the deferment was agreed, but it was eventually processed in April 2016.

So overall here, I can't say that Erudio has acted unfairly. Its records show that it's been contacting Mrs R over the last few years to let her know about the situation with her loans and the arrears that were accruing. It also seems that Mrs R was aware of this from her contact with Erudio. Unfortunately, Erudio never received the information it needed to defer her loans and arrears accrued as a result of this. But that's in line with the terms and conditions of the loans.

Mrs R has raised concerns with the fact that Erudio can't produce the original signed credit agreements for these loans. But, like our investigator, I'm not sure I'd expect it to – given the time that's passed since these loans were first taken out. I'm satisfied that the copies that Erudio has sent us are most likely to represent the terms and conditions of these agreements when she took them out.

I'm pleased that Mrs R has now deferred her loans in the way she'd like, but I've not seen anything to suggest that arrears have been wrongly, or unfairly applied. So I can't tell Erudio to do any more here.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 13 July 2017.

James Staples  
**ombudsman**