

## **complaint**

Miss N complains that Erudio Student Loans Limited agreed to take less money than she owed to fully settle her debt. And it also said it would not register any adverse information on her credit file. Only to find that Erudio is going to register that she did not pay the full amount that she owed which she thinks is unfair and breaks the deal she made with it via us.

## **background**

Miss N has several loans with Erudio. At first she wanted to defer her repayments. Further, Miss N wanted us to consider if Erudio was asking her for information it was not entitled to ask for. And she suggested it had not provided the information it should have done including a deferral application form ("DAF").

In response to all of this initially Erudio sent her the wrong information. Frustrated and bewildered Miss N again asked Erudio for a DAF and to answer her queries. She also made an offer to pay off the debt but strictly on the basis that it wouldn't register adverse information on her credit file. After more toing and froing Miss N and Erudio could get no further so she came to us.

Our adjudicator said that she thought it was fair to uphold some of the complaint.

She thought Erudio had not treated Miss N as it should have done. On this basis she said it should remove any arrears it applied to the loans. It should also remove any adverse information it had registered on her credit file about the arrears.

Our adjudicator also thought it was fair that Erudio should tell Miss N what payments it wanted and give her sufficient time to apply for a deferral should she wish too.

In addition she asked Erudio to confirm if it would accept Miss N's offer. Although she did say that it was fair to mark this as a partial settlement on Miss N's credit file.

Finally our adjudicator said Erudio's behaviour had caused Miss N distress and inconvenience. She said £150 was a fair award for this.

Initially both Miss N and Erudio accepted this recommendation. But Miss N rejected it when she realised that her credit file would show a partial settlement and not the full settlement she expected.

Miss N asked an ombudsman to review her complaint.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I've finished my review and I am going to have to disappoint Miss N as I do not think Erudio should have to change its offer.

*it's not fair to ask Erudio to say it's received payment in full when it hasn't*

Miss N offers to pay far less than she actually owes. So in that sense it is a partial settlement. Erudio is under an obligation to provide true and accurate information when it reports to credit reference agencies. If Erudio accepted her offer it would be receiving less money than it's owed. And in these circumstances I would expect a business to show that it had accepted part of what it was owed.

Further it would not be true or accurate to say it had received payment in full.

It follows I don't agree that it would be wrong for it to register the partial settlement.

*but it must give Miss N the opportunity to defer her loan repayments*

That said I also agree with the adjudicator's conclusions about the deferment and the information of the deferment forms for the reasons she already set out.

I also think - like the adjudicator that Erudio treated Miss N unfairly in how it handled the arrears it gave her no opportunity to make the repayments before the arrears started up.

That being so if Miss N should now wish to go down this route I think Erudio must put Miss N in the position she would have been in if Erudio acted correctly in the first place.

It's fair that if it receives the correctly filled in DAF or DAFs from Miss N and it grants the deferrals it should act as if this new deferral started as soon as the old ones ended.

It's not clear if Miss N will have to fill in one DAF for all of the loans or a separate DAF for each. That is why I mention a DAF or DAFs.

It should remove any information about missed and late payments or arrears that it registered on Miss N's credit file for the period between when the old deferral periods ended and the new ones began.

But it's fair that Miss N should play her part in getting things moving so she needs to send her correctly completed DAF or DAFs to Erudio within 28 days of accepting my final decision. Or from when Erudio sends the DAF or DAFs to her whichever is the later.

Erudio caused Miss N unnecessary distress and inconvenience due to the way it handled this matter. It's fair and reasonable that it should pay Miss N £150 for this.

### **my final decision**

My final decision is that Erudio Student Loans Limited should - provided it receives a correctly completed DAF or DAFs from Miss N within 28 days of her acceptance of my final decision or within 28 days of sending her the DAF whichever is later. And also provided she meets the deferral criteria:

- act as if Miss N's new deferral periods had started immediately after the previous deferral periods finished and it should amend its records to reflect this.

- remove any adverse information it may have registered on Miss N's credit file between the period when the previous deferral periods ended and the new ones began ("the relevant periods"). In particular it should remove any missed or late payment information or arrears information it registered in the relevant periods.
- pay Miss N £150 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss N to accept or reject my decision before 27 August 2015.

Joyce Gordon  
**ombudsman**