

complaint

Mr B complains about the way Erudio Student Loans Limited has managed his student loan account.

background

Mr B complains that Erudio have made a number of administrative errors, in particular he is unhappy that whilst his account was within a three year deferment period, it told him that his account was no longer in deferment and had been in arrears since 2012. Mr B says this matter has been very stressful and has affected his ill health.

Erudio accepts that it mismanaged Mr B's account. It apologised and offered to pay him £100 to reflect the distress and inconvenience it had caused.

Our adjudicator thought that Erudio's apology and offer to pay £100 was a reasonable resolution to the complaint. She did not recommend that Erudio do anything else.

Mr B disagrees with the adjudicator's view, he has asked for an ombudsman to review the complaint.

Mr B has provided a letter of support from his doctor. He says that his ill health means he is unlikely to return to work and Erudio's errors have caused him significant distress. He would like Erudio to write off his debt and pay him £200 compensation.

my findings

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

There is no dispute that Erudio has not provided Mr B with the customer service that he should have expected from it. Mr B has told us that this matter has impacted on his health and a letter from his doctor confirms this. Because of this, I think that Erudio should pay Mr B £200 compensation, to reflect the distress it has caused him.

Mr B says that the loan should be written off because of his ill health. He says that it is unlikely that he will return to work before he reaches the age where he qualifies for the loan to be cancelled.

This service will only instruct a business to write off a loan in exceptional circumstances, for example where a customer has a terminal illness. Whilst I understand why Mr B says that writing off the loan would be advantageous for Erudio; as it would no longer continue to incur costs in managing his account. I do not think that there are any exceptional circumstances here. So the decision to write off the loan is a commercial decision for Erudio and not one for this service.

I appreciate that Mr B will remain disappointed with my decision, but he does not have to accept it. He may wish instead to pursue this matter with the courts.

my final decision

My final decision is I uphold the complaint and I instruct Erudio Student Loans Limited to;

- Pay Mr B £200 compensation to reflect the distress it has caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 2 July 2015.

Karen Dennis-Barry
ombudsman