

complaint

Mr K complains that Erudio Student Loans Limited wrongly refused to apply a repayment deferment to his loan account.

background

Mr K has a student loans account with Erudio. He applied for a deferment of repayments, sending in an application form and also providing a separate paper which he signed to confirm that the details he had provided were true and accurate.

Erudio says that it did not apply the deferment because Mr K would not sign the deferment form. Mr K argues that he is not under any contractual obligation to sign the application form and that evidence of his income was all that was needed to entitle him to the deferment. He says that, in any event, he had signed the separate paper which accompanied the form.

As things were not settled Mr K brought his complaint to this service where an adjudicator investigated it. From the evidence, the adjudicator concluded that Erudio was entitled to require Mr K to sign the application form for the deferment. Given that, the adjudicator did not feel Erudio had been wrong not to apply the deferment.

Mr K did not agree and made further representations, the main points of which I summarise:

- His complaint includes that Erudio is attempting to coerce or deceive customers by its requirements for deferments.
- Money was taken from his account by Erudio through fraudulent means, even though he had told it to cease and desist.
- Erudio has tried to engineer taking repayments that it is not entitled to, which he thinks is because his loan is due to be written off.
- These important points, which could each be stand-alone complaints, have not been addressed by the adjudicator.
- Erudio could have provided a work-around, but insist on the application form being signed in a specific place and subject to their conditions.
- This means he must sign his consent to the information provisions, which he does not care to do because they are unfair, threaten his human rights and privacy, and leave him open to fraud.
- He met the criteria for a deferment, and was not additionally obliged to comply with Erudio's application requirements.
- He disputes Erudio's version of what was said in the telephone calls.

my findings

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

The original terms and conditions that Mr K signed required him to make regular loan repayments. But they also state that a deferment of repayments will be given, provided certain criteria are met and subject to acceptance of the deferment application.

Erudio requires the application form to be signed by the applicant, which does not strike me as unfair or unreasonable. This requirement was made clear to Mr K when he questioned Erudio, and I am not persuaded that it has attempted to deceive Mr K in the matter.

I have considered Mr K's views about the provisions of the application form. I am not persuaded that these were unfair in the context of the loan agreement.

Erudio gave Mr K a second and third chance to secure the deferment by signing and returning the application form in the ordinary way. He would not do so, which was his choice to make. But I do not agree that Erudio was obliged to give him the deferment without it. In the absence of a deferment, repayments are due and payable.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 14 April 2016.

Jane Hingston
ombudsman