

## **complaint**

Miss K complains that Erudio Student Loans Limited didn't update her address details, that it didn't write to her at the correct address and that it's recorded a default on her credit file. She's being helped with her complaint by a representative.

## **background**

Miss K had two student loans which were assigned to Erudio in 2014. She says that she wrote to it in December 2014 and July 2016 to notify it of her change of address. But Erudio says that it didn't receive those letters, it didn't receive deferment notices from Miss K and that it didn't receive a response to the notice of default that it sent to Miss K – so it defaulted her account and transferred her account to a third party. Miss K complained to Erudio but wasn't satisfied with its response so complained to this service. She says she suffers from mental health issues, is on medication, has two young children and is experiencing financial difficulties.

The adjudicator didn't recommend that this complaint should be upheld. She said that Erudio had followed its process with the information that it had available at the time – but it didn't receive a change of address request or any completed deferment forms or requests - and it wasn't aware of Miss K's mental health issues. And she felt that Erudio had defaulted the account and transferred it to the third party correctly. So she said that she was unable to ask it to remove the default from Miss K's credit file. And Erudio had said that it could consider writing off Miss K's debt if she provided a letter from a medical professional describing how her mental health condition impacted the likelihood of her being able to work again (but the default would remain on her credit file).

Miss K has asked for her complaint to be considered by an ombudsman. And she has sent a letter from her legal adviser which says, in summary, that Miss K might not have had the mental capacity to be in control of her own decision-making and important life events when the change of address happened. And she wouldn't have had the capacity to recall needing to check if the address letter had been received. And she says that Miss K was a vulnerable person and shouldn't have been caused the significant stress and unnecessary burden of being chased for a debt which was actually caused by a clerical error combined with the inability of Miss K to be fully in control of her life circumstances.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I sympathise with Miss K for the mental health, financial and other difficulties that she's been experiencing.

Miss K has two student loans that were assigned to Erudio in March 2014. She's been deferring those loans because her income wasn't high enough for her to have to repay the loans. Erudio has provided evidence to show that it sent deferment application forms to Miss K for her to complete in November 2014. But it says that those forms weren't returned to it.

Miss K has provided a copy of a letter that she says that she sent to Erudio in December 2014 to notify it of her change of address. But Erudio has no record of receiving that letter. Miss K has also provided a copy of a letter that she says that she sent to Erudio in July 2016 to notify it of another change of address. But Erudio has no record of receiving that letter

either. That doesn't mean that the letters weren't sent as they could've been lost in the post – but I consider it to be unlikely that both change of address letters would've been lost in the post.

Erudio continued to send correspondence to Miss K at her old address (and it tried to phone her there). But she didn't receive its letters and didn't complete deferment application forms for her loans after 2014. But even though she hadn't received any correspondence from Erudio since November 2014, she says that she notified it of her change of address in July 2016.

Because it hadn't received deferment application forms from Miss K, Erudio recorded a default on Miss K's credit file in July 2015 (and its records show that it sent a notice of default to Miss K earlier that month). Erudio transferred Miss K's account to a third party in June 2017 and the third party sent a letter to her to say that it would start legal action to recover the debt unless it was contacted by Miss K. That letter was sent to the address that Miss K had been using before December 2014. Miss K contacted the third party in November 2017 to notify it of a change of address.

Erudio didn't receive any contact from Miss K after November 2014 until she complained to it in November 2017. And I've seen no evidence to show that it was aware – or ought to have been aware - of her mental health issues until she told it about them in February 2018.

I'm not persuaded that there's enough evidence to show that Erudio has acted incorrectly in its dealings with Miss K. And I consider that the default that Erudio has recorded on Miss K's credit file is a true and accurate record of her account with Erudio. So I find that it wouldn't be fair or reasonable in these circumstances for me to require Erudio to remove the default – or to take any other action in response to Miss K's complaint.

Miss K says that she's suffering financial difficulties. And Erudio is required to respond to any financial difficulties that Miss K is suffering both positively and sympathetically. It's said that it will consider writing off Miss K's debt if she provides a letter from a medical professional describing how her mental health condition impacts the likelihood of her being able to work again (but it says that the default would remain on her credit file).

### **my final decision**

For these reasons, my decision is that I don't uphold Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 24 November 2018.

Jarrold Hastings  
**ombudsman**