

complaint

Ms M complains that Erudio Student Loans Limited acted incorrectly when it refused her request to defer her loan repayments and asked her to fill in its form instead.

background

Ms M had a loan with Erudio's predecessor "S". S had allowed her to defer repaying it because her income fell below the relevant "threshold". Between her deferment period coming to an end, and her applying for a new deferment, Erudio took over ownership of her loan. She didn't anticipate this was going to cause a problem because her income was still below the threshold. She sent it her proposal for deferring her repayments.

Instead of getting the response she'd hoped for, she got a deferment application form ("DAF"). She became concerned she didn't want to sign it for a number of reasons (she gave 29 reasons in all). She didn't fill in the DAF. As a result the loan became repayable and when she didn't make the repayments, Erudio took recovery action.

Ms M said Erudio shouldn't have done this; it said it had done nothing wrong. So Ms M came to this service.

Our adjudicator didn't recommend that we should uphold Ms M's complaint.

Erudio accepted this recommendation. Ms M didn't and asked that an ombudsman review her complaint.

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've finished looking at Ms M's complaint and I'm not upholding it. I explain below why I've come to this conclusion.

From what Ms M says, if she'd applied for the deferral using the DAF she'd have got it. But she didn't - not because she didn't want to defer but because she objected to the wording in the DAF.

Some of her objections were about the information Erudio asked her to provide. She said S hadn't asked for all this information - so why should Erudio? Some of her objections were about what Erudio would do with the information it got. I can see she had very strongly held feelings about the DAF and thought by signing it she'd be agreeing to a whole new agreement.

Whilst I appreciate Ms M wanted reassurance about the points she raised, I also think she ought to reasonably have realised that if she refused to sign the DAF, Erudio would take the steps it has done. Further, whether she thought the agreement had changed or not, she had always agreed with S that when her deferral period came to an end, she'd apply for a new deferral or start repayments but she didn't do this.

Ms M has raised many questions about her agreement and says that Erudio hasn't complied with its legal obligations. Only a court can decide on that point. But I've not seen anything that suggests that I could fairly and reasonably say Erudio acted incorrectly in asking Ms M

to sign the DAF. She seems to particularly object to the fair processing notice in the DAF. I believe this clause may have changed since she was sent it in any event.

Erudio's records show she's in arrears on the loan. And, because of this, it has taken the steps set out in the agreement to deal with the arrears. So I don't think I can fairly say this is wrong.

That said, it's clear that Ms M wasn't trying to evade her responsibilities under the loan. I cannot make Erudio do this because I don't uphold Ms M complaint. But I think it would be good customer service for it to re-consider its stance.

I say this because I think Ms M might now want to fill in the DAF. If she does this - and she qualifies for the deferral - might Erudio, as a goodwill gesture, act as if she had sent in the DAF in the first place? Including removing any adverse information it has registered on her credit file and waiving any interest and charges that Ms M ran up due to not signing the DAF?

I leave it to Erudio to think about this and if Ms M wants this she should contact Erudio directly. But I reiterate I cannot make Erudio take up my suggestion.

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 Ms M to accept or reject my decision before 3 March 2016.

Joyce Gordon
ombudsman