

complaint

Miss C complains that Erudio Student Loans Limited ignored her request to defer payment on her loan.

background

Miss C says she sent Erudio deferment application forms as she couldn't afford to make the repayments on her loan. She is now in arrears and Erudio has added late payment fees and is chasing her for payment.

Erudio said the last deferment that was in place expired on 9 September 2013. Erudio sent Miss C a number of letters over the next two years and there were several phone calls about a further deferment but it didn't have a valid application to defer payment. On 8 September 2016 it sent Miss C another letter explaining it hadn't received the deferment form and that arrears were continuing to accrue. Miss C phoned Erudio on 3 October 2016 and said she'd always returned the forms. Erudio couldn't see that it had received any of the forms but told her she could still apply to defer payment and could do this online.

Our investigator outlined the communication between Miss C and Erudio and was satisfied that the only deferment form Erudio received was one that wasn't on the right form. She could see that Erudio had contacted Miss C by letter on several occasions. So she thought that Erudio had given her enough information about the deferral form and the arrears that were building up. Erudio said that if Miss C got in touch with it again it would backdate the deferral for three months and remove three months worth of arrears.

Miss C didn't agree with the assessment and said she had asked Erudio to correspond with her by email or phone as she was away a lot on business and didn't get its letters. Our investigator asked Erudio for some more information and could see that Miss C had told it she didn't always get its letters. But she thought Miss C should have contacted Erudio to check it'd received the deferment form when she didn't get confirmation that the deferment had been successful. So she didn't agree that Erudio should remove all the arrears on the account.

my findings

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

Miss C says she called Erudio many times and always sent back the deferment application forms. And I can see that Miss C phoned Erudio about once a year on 25 November 2014, 14 July 2015 and 3 October 2016. In those phone calls Erudio told Miss C that there wasn't a deferment in place and that her account was in arrears. In November 2014 and July 2015 it emailed her the correct form. It also wrote to her several times about the deferment and the arrears. I appreciate that Miss C had told it she was away a lot on business so she preferred contact by phone or email. But in light of the number of letters Erudio had sent her since September 2013 and the phone calls she made to it in November 2014 and July 2015 it seems to me that she should have been aware before 2016 that there was a problem with her deferment and that her account was in arrears. In those circumstances I would have expected her to confirm with Erudio that it had received her application for deferment.

So while I appreciate Miss C says she called Erudio many times and always sent back the correct deferment forms I don't have enough evidence to make that finding.

I know Miss C will be disappointed with my decision but I don't agree that Erudio has done anything wrong in not applying a deferment to her account since the last one expired in September 2013.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 18 April 2017.

Linda Freestone
ombudsman