

complaint

Mr F complains Erudio Student Loans Limited didn't complete his change of address correctly - which meant he didn't receive a repayment deferment form so his repayments weren't deferred. As a result, Erudio treated his loan as being in arrears.

background

Mr F had a student loan with The Student Loans Company (SLC) which he was deferring. He moved abroad in 2004 and contacted them in 2006 to say his father was authorised to deal with any correspondence on his behalf. Mr F said his father contacted them in 2011 about a letter he'd received but they couldn't find the authorisation to speak to him. So Mr F said he wrote to them again in 2011 to confirm that his father could deal with his account. The loan was taken over by Erudio in March 2014.

Mr F said his father decided it would be better if Mr F dealt with Erudio direct. So he said his father contacted Erudio by phone and letter numerous times between 2013 and 2015 to change the address to Mr F's overseas one – but it never happened. Then in 2016, Mr F's father received a default notice which he said caused him distress. Mr F said his father complained to Erudio that the address still hadn't been changed. They upheld his complaint, gave his father compensation and changed the address.

Mr F said he then received letters telling him that he was in arrears on his account and needed to pay the outstanding amount. Mr F said he contacted Erudio to tell them he hadn't received the earlier letters and to ask to defer his loan again. The deferment was agreed, so he thought this was resolved - but Erudio still wanted him to pay the arrears. Mr F wasn't happy so he asked us to look into his complaint.

Erudio said they'd sent letters to Mr F's father's address as that was the one on file for the account - and Mr F had confirmed it was right in 2014. They said in 2015 when the letters were returned back to them, their trace team had looked into it and confirmed this was the correct address. Erudio also said that they hadn't been given the overseas address until 2016 – which is when they updated it. They felt they'd applied the arrears correctly so wouldn't agree to remove them.

Our investigator didn't think Erudio had been unreasonable. She thought that all the deferment forms Mr F had completed, had the box ticked to confirm his father's address should be used for correspondence. She felt it was Mr F's responsibility to update Erudio. And because they hadn't been told about the overseas address until October 2016 it wasn't fair to ask them to remove the arrears and backdate the deferment.

Mr F didn't agree. He felt Erudio upholding his father's complaint was them acknowledging their error. And poor administration might be the reason the change of address request had been lost. So he asked for an ombudsman to look at his 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. Having done so, I've reached the same outcome as our investigator, for broadly the same reasons.

Mr F said his father had tried several times since 2013 to get Erudio to change the correspondence address to his overseas address. But Erudio didn't take the loan on until March 2014. And I've seen records from Erudio showing Mr F's Deferment Application Form (DAF) from May 2014 which said his father's address was to be used for correspondence. Both Mr F and his father also said in their letters that Mr F was living overseas - but his letters were being forwarded to him by his father. So I don't feel Erudio would've had any reason to doubt this.

Erudio's case notes also show that they told Mr F in April 2014 that if he wanted to change the address they had for him, he'd need to write to them with the new address so they could change it. But I can't see that he did this. He also subsequently completed his next DAF a month later confirming to Erudio that his father's address was the one that should be used for his correspondence.

Mr F said that this situation was causing his elderly father distress – but I can't see that there were any attempts to contact Erudio except those made by Mr F's father. He also said that his father had returned several letters saying he didn't live at the address – but I've seen Erudio's file showing these didn't have alternative contact details. This was then followed by the letter of March 2015 saying he wasn't contactable at that address. But I find nothing to indicate that 'Erudio' had been given an updated address.

Mr F said that it was the March 2015 letter that contained the details of the deferment and as he didn't receive it he couldn't complete it. But previous deferments had been sent at the same time for roughly the last ten years, and Mr F's last deferment confirmation of July 2014 said it would end in May 2015. So I think Mr F could've contacted Erudio to see why it hadn't been received.

Mr F told us he felt his father's letter from May 2015 - which told Erudio that Mr F had moved abroad about eight years ago and his overseas address - had been removed from his case file. But I don't think this is likely. I've seen Erudio's records which appear to show all other correspondence relating to Mr F and it's difficult to see why the letter of May 2015 'might not have been recorded if it'd been received. Erudio also continued to chase Mr F at his father's address - which I feel, is consistent with them not having Mr F's overseas address.

I recognise that if Mr F's father's letter had been received, he feels Erudio would've allowed the deferment. But I can't reasonably ask Erudio to backdate the loan on the basis of a letter they didn't receive.

Mr F felt that Erudio had given his father compensation because they were admitting that they'd found his letter from May 2015. But Erudio said it was because of the distress caused to Mr F's father by the numerous letters he'd received and returned saying Mr F didn't live at this address – although this wouldn't have been enough for them to change their records. I feel that Erudio was following their usual procedure for changing addresses - but had recognised the impact this had on Mr F's father after the October 2016 letter had been received.

Based on the evidence I've seen I don't think Erudio treated Mr F unreasonably. I don't think that Erudio were aware of Mr F's overseas address until 2016 so I don't feel their decision to refuse to backdate the deferment and treat the account as being in arrears was unfair. And I won't be asking Erudio to do anything more.

Mr F has said that he can't afford to make repayments on the loan. I understand that he's entered into a payment plan with Erudio to repay the outstanding arrears. But if he still feels this isn't affordable, he should contact Erudio to see what else they can do to help.

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 Mr F to accept or reject my decision before 26 February 2018.

Jenny Lomax
ombudsman