

complaint

Mr B says that Erudio Student Loans Limited caused delays with the deferment of his loan account.

background

In summary, Mr B says that he wasn't aware he had to send in a signed deferment form and copy of his tax return to get deferment. He says that by the time Erudio had clarified things it was too late to get all the arrears backdated. He thinks it is unfair that he is being asked to pay around £220 in arrears which he cannot afford.

Erudio agreed that it made some customer service errors and offered £100 to put things right.

Our adjudicator thought Erudio had done enough. In summary, she didn't think that only Erudio was responsible for the delayed deferment.

Mr B disagrees with this. In summary, he says that the delays are just because of Erudio. And had it been clearer with him he wouldn't have to pay the arrears. He thinks cancelling the arrears on the account would be a fair way to put things right.

my findings

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

It isn't in dispute that Erudio made some mistakes. It seems that when Mr B first wrote in to ask for a deferment in April 2015 Erudio took longer than it should have to tell him to send in more information. And in June 2015 it told him he needed to send in a copy of his tax return but it didn't remind him it needed a signed application form too.

I agree that Erudio could have done things better here. But regardless of this I think that Mr B could reasonably have avoided the arrears he is complaining about.

Firstly, Erudio's guidance for deferment is clear about the requirement for the completed application form and supporting income documentation. I would have reasonably expected Mr B to look at this before he applied for deferment.

Secondly, Mr B had already been through this process the previous year. And from what I can see he sent in a signed application form and similar income documentation. It seems that Mr B doesn't think this is relevant to what he did recently – but I think it is. Mr B says he thought he didn't legally have to provide these documents anymore. I am not sure that this is correct – but it doesn't appear unreasonable that Erudio required these things to complete the deferment. And in any event, in light of what had happened the previous year (and what was contained in Erudio's current guidance) I would have expected Mr B to clarify his understanding of the situation before his application to make sure he was providing everything that was required.

I also note that Erudio clarified the situation to Mr B in a phone call in early July 2015. It told him that the signed application form was required as well as the supporting income documents. Had Mr B acted then I believe it is likely he would have had all the arrears backdated as he was still within three months of the deferment deadline. And I can't agree that Mr B wouldn't have been reasonably aware that arrears would continue to gather on the account if he didn't defer on time.

All things considered I don't think it would be fair to ask Erudio to remove or refund the outstanding arrears. Its customer service could have been better, but I don't think this is solely to blame for the outstanding arrears. I think the compensation it has already offered Mr B is enough.

I know Mr B has said he is in financial difficulty. So I expect Erudio to be positive and sympathetic when arranging repayment of any arrears.

my final decision

I think that Erudio's offer is fair. It is now up to Mr B to decide if he wants to accept it in full and final settlement of his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 July 2016.

Mark Lancod
ombudsman