

## **complaint**

Miss F complains that Erudio Student Loans Limited failed to defer her loan in 2014.

## **background**

Miss F took out a number of student loans in or around 1993/94. She says she has never earned enough to be eligible to repay the loans and has deferred them each year.

Miss F says that she returned her deferment application form (DAF) to Erudio in 2014. She says she wasn't aware that her loan hadn't been deferred until 2016 when she was told by Erudio that her account was in arrears.

Miss F complained to Erudio. She was unhappy that her loan hadn't been deferred in 2014. She said that Erudio hadn't contacted her about the arrears on her account and she believed that her account was in deferment.

Erudio issued a final response to Miss F. It said it had sent a DAF to Miss F in March 2014 but that because this wasn't returned the account had entered repayment in May 2014. It said that it had contacted Miss F in July 2014 and issued a further DAF which Miss F had returned in August 2014. Erudio said that following receipt of the DAF it wrote to Miss F requesting copies of her last 3 months payslips, because the payslips provided with the DAF were too old to be accepted as evidence. Erudio said that it had sent an annual statement to Miss F in September 2014 advising her of the arrears on the account. It also sent arrears letters to Miss F in October and November 2014. Erudio said it had spoken to Miss F in November 2014 when she requested a further DAF. This was returned but did not include the last 3 months payslips. Erudio said that it sent a further arrears letter to Miss F in January 2015.

Erudio acknowledged that there had been a delay in updating Miss F's address which meant that the arrears letters dated October and November 2014 were sent to her old address. It paid compensation of £75 for any inconvenience caused but said that because it hadn't received the correct documents to process Miss F's DAF it didn't agree that sending the arrears letters to her old address had impacted on her ability to apply for deferment.

Miss F was unhappy with the response from Erudio and complained to this service. She said she had returned her DAF on 18 November 2014 and provided an email to confirm this. She asked for a breakdown of the arrears because she felt that these were too high. Miss F wants Erudio to defer her loan.

Our adjudicator didn't uphold the complaint. She said she was satisfied that Miss F had sent her DAF in November 2014 but said that the attached pay slips weren't recent enough and that she hadn't included confirmation of the benefits she was in receipt of. The adjudicator said that Erudio had done nothing wrong because the DAF wasn't complete. The adjudicator also said that Erudio had sent arrears letters to Miss F on a regular basis and that this was enough to make Miss F aware that there were arrears on her account.

Miss F didn't agree. She said she didn't know that she had sent the wrong pay slips to Erudio and she thought they should have told her at the time that they needed recent pay slips. She said that the DAF had always been issued in March/April each year and that she had always sent pay slips for January/February/March without any problems. Miss F felt that she had been treated unfairly. She also explained that she had been under a lot of pressure

at the time due to her partner being unwell. Miss F asked for a breakdown of the monthly cost of her loans for the years when deferment hadn't been applied.

### **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 F says that she has deferred her loan every year. Because of this, I think she would have been familiar with the deferment process. There's no evidence that the deferment process was any different when Erudio took over the administration of her account from the Student Loans Company.

Erudio has said that it sent a deferment application to Miss F on 10 March 2014 but that this wasn't returned. Miss F hasn't said that she returned a DAF in March/April 2014 and I haven't seen any evidence that she did. Because of this, I'm unable to say that Erudio did anything wrong when it placed the account into repayment in May 2014.

I can see that when Erudio contacted Miss F in July 2014 about her arrears, it also sent a further DAF. I don't know exactly what was discussed between Miss F and Erudio during this call but I think that Erudio would have made Miss F aware that her loan had entered repayment and that she had arrears. I can see from the information provided by Erudio that Miss F returned a DAF in August 2014 but she hadn't attached her last 3 months payslips. Instead she attached payslips for the first 3 months of 2014, which were too old for Erudio to accept as evidence.

I appreciate that in previous years Miss F had always completed her DAF in April and had sent in pay slips for the first 3 months of the year. So I understand why she might have done this in August 2014. Miss F has said that Erudio never told her that her payslips weren't sufficient. However, I can see from Erudio's contact notes that it wrote to Miss F on 21 August 2014 advising her that she needed to provide her last 3 months pay slips together with evidence of benefits she was receiving. I'm satisfied that Erudio took reasonable steps to let Miss F know that her payslips weren't sufficient and that it set out clearly what was required from her in order to progress her DAF.

Miss F has said that she wasn't aware that her loan hadn't been deferred or that her account was in arrears. I've already said that because of the telephone call in July 2014 I think it's more likely than not that Miss F would have been aware that her account had entered repayment and was in arrears. I understand that Miss F's partner was unwell at this time and I appreciate that her primary focus would have been on her partner. But even taking these circumstances into account, I think that Erudio sent so many arrears letters that it's reasonable to expect that Miss F was aware that her loan hadn't been deferred.

Even if Miss F didn't receive the arrears letter that were sent to her old address in October and November 2014, I'm satisfied that she ought reasonably to have been aware that her loan hadn't been deferred when she spoke to Erudio in November 2014 and requested a further DAF.

I'm satisfied that Miss F returned her DAF on 18 December 2014. But I can see that she still hadn't attached the correct pay slips or evidence of her benefits. Because Miss F hadn't provided the correct evidence to support her DAF, and because Erudio had already written

to Miss F about the evidence it required, I'm unable to say that Erudio has done anything wrong in not deferring the loan.

I appreciate that Miss F feels that Erudio should have told her in November 2014 that she had sent in the wrong payslips. But because Erudio had already written to Miss F and told her that she needed to provide her last 3 months payslips, I don't think it's reasonable to expect Erudio to repeat this information.

I've looked at what happened after Miss F returned her DAF in November 2014. I can see that a further arrears letter was sent to Miss F in January 2015. I think at this point it would have been clear to Miss F that her loan hadn't been deferred. I can't see that Miss F attempted to contact Erudio in response to the arrears letters, so I think she has to take some responsibility for any confusion she had about the status of her account.

Taking all of the circumstances of the complaint into account, and whilst I appreciate that if Miss F had completed her DAF and attached the correct evidence, it's likely that her DAF would have been successful, I'm unable to say that Erudio has done anything wrong here because Miss F didn't submit the correct evidence to support her DAF. So I won't be asking Erudio to defer the loan.

I understand that Miss F has raised some queries about the level of arrears on her account and the cost of her monthly loans. I can see that the adjudicator has asked Erudio to provide this information but this hasn't been received yet. I've taken the view that because the level of arrears and the monthly cost of the loan didn't form part of Miss F's original complaint, this isn't something which should delay my final decision. However, I think that Erudio should provide this information to Miss F as soon as possible.

### **my final decision**

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 27 December 2018.

Emma Davy  
**ombudsman**