

## **complaint**

Mr M complains that Erudio Student Loans Limited failed to defer repayment of his student loan, and took too long to tell him his account was in arrears.

## **background**

Mr M had a student loan to pay for his course in the 1990s. Every year up to 2013 he successfully applied to defer repayment of his loan. His last effective deferment expired in May 2014. In that year, Erudio took over responsibility for his loan. Mr M sent Erudio a deferment application form ("DAF") in April 2014. But he sent no supporting evidence, so Erudio did not defer his loan that year. There is a dispute about whether Erudio wrote to him in June to ask for more evidence. But when Mr M received an arrears letter in October, he tried to phone Erudio to discuss the matter. He says he couldn't get through on the phone.

Mr M complains that Erudio hadn't told him what evidence it wanted to see, so he thought he didn't need to see any. He wasn't told his loan hadn't been deferred until six months after he sent his application. And Erudio didn't send him a DAF in 2015 or 2016. He says that Erudio has done this to him on purpose, because his loan was due to be written off in 2018. He says that he was eligible for deferments in 2014, 2015 and 2016.

Erudio did not agree that it had done anything wrong. It said it had written to Mr M several times about his arrears. It said it had tried to phone him too, but it couldn't reach him. Even after October 2014, when Mr M accepts he learned his deferment had been refused for lack of evidence, he still failed to send evidence. His agreement was terminated in June 2016 so he'd had plenty of time. And it didn't have to send him any more DAFs once his repayments were no longer deferred.

Mr M brought his complaint to our service. But our adjudicator did not uphold it. She thought he should have done more to help himself. She accepted that the June 2014 letter had been sent, and it wasn't Erudio's fault if Mr M hadn't received it. But in any case, it had sent him plenty of letters since then, and he hadn't done more than make a few abortive phone calls. So she decided that Erudio hadn't done anything wrong, and that it didn't make a difference whether Mr M had in fact been eligible for a deferment.

Mr M said Erudio should have just emailed him instead of (or as well as) sending letters. He said there was no proof that the June letter had been sent. And he emphasised that Erudio hadn't specified what evidence it expected. He asked for an ombudsman's decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I do not uphold this complaint. I will explain why.

Mr M told us that when he sent his DAF in April 2014 and heard nothing back from Erudio, he assumed that his deferment had been granted. I'm afraid I don't think that it was safe to make that assumption, given how important this was to him. When he didn't hear anything one way or the other, it would have been prudent to check with Erudio to confirm what the outcome had been.

Erudio's contact log shows that a letter was sent to him in June. I accept that as sufficient evidence that a letter was sent. I also accept that Mr M didn't receive it, but it's not Erudio's fault if it was lost in the post. I haven't seen a copy of that letter, so I don't know exactly what it said. But I think it's reasonable to infer that it told Mr M that his deferment had been denied, since it was sent on the date that decision was made.

Erudio says the June letter asked for evidence. I don't know how specific this request was. And I accept Mr M's point that the letter Erudio sent him in March that year doesn't spell out what evidence is required. It just says he should send the DAF "along with all evidence." But I don't think that implies that it's safe to send no evidence at all. If Mr M was unsure about what else he needed to send, he could have contacted Erudio and asked. If he struggled to get through on the phone, Erudio's email address was on the March letter, so he could have sent an email.

In fact, Erudio's email address was on all of the arrears letters as well, and on the default notice too. So when Mr M failed to speak to Erudio on the phone in October, he could have just emailed it instead. I can't see that he did.

In any case, Mr M was on benefits. I don't think it would be difficult for him to provide some evidence to show that. So I don't think it was necessary for Erudio to spell out what it would accept as evidence of income. It was reasonable of it to expect Mr M (who I note is in his forties) to use his own judgement about what he could provide.

In any case, once Mr M became aware of the problem in October, he made a few phone calls which weren't answered, and then gave up. He could have sent evidence at that point, or at any point up to June 2016, when the loan agreement ended. Instead he appears to have ignored the arrears letters and the default notice. I've read those and they are clear as to the consequences of ignoring the issue.

Erudio didn't have to send DAFs to Mr M after June 2014. If he wanted some, he could still have asked for them. But by the time he finally did that, in August 2016, it was too late.

I can't see that Erudio has done anything wrong. It didn't have to email Mr M, so I can't say that it's at fault for not doing so. It gave Mr M plenty of time before defaulting his account.

### **my final decision**

So my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 January 2017. If I don't hear from him, I will assume he has rejected it.

Richard Wood  
**ombudsman**