

complaint

Ms B complains about the way Erudio handled her application to defer her student loan repayments.

background

Ms B says;

- she sent Erudio all the proof of income it needed to process her application, but it continued to ask for more information.
- Erudio delayed requesting the additional information.
- Erudio should have stopped the clock on her account, when she complained and it is unfair that it will only backdate her arrears for three months.

Our adjudicator did not recommend that the complaint should be upheld. She did not think that Erudio had done anything wrong. In particular she said that they were allowed to request additional information from Ms B to help it assess whether her loan should be deferred.

Ms B disagreed with the adjudicator and requested a review of her complaint by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. And I don't uphold this complaint.

Ms B says that she provided Erudio with enough evidence to process her deferment application. In addition to giving it copies of her bank statements showing her child benefit and tax credits, she also sent it her tax return, which shows her rental income and expenses. She is unhappy that Erudio have insisted on further evidence to prove her rental income.

Whilst I appreciate that Erudio may be asking Ms B for more information than the previous owner of her student loan, I think that Erudio is entitled to ask for her for further proof of the rent she receives, to help it assess whether she can defer her loan. I realise that Ms B thinks that her tax return should be enough, but it is for the business to decide what evidence it needs to be satisfied that an applicant meets the deferment criteria. So, I do not uphold this part of her complaint.

Ms B says it is cumbersome and unreasonable for her to be required to provide copies of tenancy agreements for all her tenants, as she has a number of them. I can see that in its letter dated July 2014, Erudio gave Ms B the option of either providing copies of her letting agreements, letters from her tenants confirming the frequency/amount of rent or bank statements showing the rents she receives. Given that Ms B has three options to demonstrate her rental income, I cannot say that Erudio's request is cumbersome or unreasonable.

Ms B says that Erudio delayed requesting the additional information from her. I can see that Erudio sent Ms B her deferment application pack in March 2014, which explained that her previous deferment period would end in May 2014. Her deferment application was sent to Erudio in June 2014 and in the same month Erudio wrote to Ms B; clearly telling her what

information it needed, Ms B has not provided the information requested to prove her rental income. So, I cannot say Erudio has done anything wrong here.

Ms B says that Erudio should have stopped the clock on her account when she first complained to it. She is unhappy that her account has now built up arrears and she does not think it is fair that it will only backdate her arrears for three months. Erudio is not under any obligation to put Ms B's account on hold, because she complained; it follows that I cannot say that its goodwill offer to backdate the arrears for three months, if her application is successful, is unreasonable.

Ms B says she is concerned that Erudio will not take into account her expenses when it calculates her rental income. Erudio has told us that it will take mortgage repayments and expenses into consideration, if they can be evidenced. If Ms B would like more detail on how her rental income will be calculated, she should contact Erudio directly.

I appreciate that this will not be the outcome Ms B was hoping for. However, overall I do not think that Erudio has done anything wrong.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Ms B to accept or reject my decision before 19 June 2015.

Karen Dennis-Barry
ombudsman