

complaint

Mr D complains Erudio Student Loans Limited (Erudio) refused to defer his student loan repayments. He says Erudio should have been more accommodating of his personal circumstances.

background

Mr D's been deferring his loan repayments for years. Erudio took over from his old loan company in 2014. He says he tried to speak to it about his application to defer. But, wasn't able to get through to speak to anyone. He says he was due to go travelling. So, he wrote to Erudio, saying he assumed his application had been successful, unless it told him otherwise. He says he didn't hear back. But Erudio defaulted his loan and terminated his agreement.

Erudio says it sent Mr D a deferment application form in March 2014. It says he didn't complete and return this. So, the loan became payable. It says it didn't receive repayments so it followed the collections process. Erudio says it attempted several times to contact Mr D. It wanted to give him a chance to set up a payment arrangement or to defer his loan. Erudio apologised for the delay in responding to one of Mr D's emails and offered him £50.

The adjudicator says Erudio responded to Mr D's emails and asked for more information that it didn't receive. She thinks Erudio took reasonable steps to contact Mr D using the contact details it had on file. She's satisfied it gave Mr D the option to contact it. She accepts Mr D was travelling so couldn't easily communicate. But, she doesn't feel it did anything wrong by not allowing Mr D to defer his loan and by defaulting the account.

Mr D disagrees. He says Erudio knew he was travelling so communication was limited.

my findings

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

Mr D says he'd arranged to send his application to defer to the old loan provider in 2014. He feels the old loan provider either didn't tell Erudio of his arrangement, or, Erudio ignored it. In this decision, I'm only considering Mr D's complaint against Erudio, not the old loan provider.

Mr D's situation is slightly unusual. He doesn't have a fixed address in the UK and mostly travels. I note he changes his registered address in the UK and doesn't always get post forwarded. I've seen the terms and conditions of his loan say it's his responsibility to tell the loan provider, within 14 days, of any change of address. I appreciate this might be difficult for Mr D. But, it's not for me to interfere with the terms and conditions of his loan.

From what I've seen, Erudio wrote to tell Mr D it had taken over from his old loan provider. It wrote to his last registered address, which I think was entirely reasonable in the absence of any up to date contact details from Mr D. I'm satisfied Erudio set out timescales for further action and gave Mr D information about how he could apply to defer. I think it was clear Mr D had to make a fresh application. I appreciate Mr D had a longstanding arrangement with his previous loan provider. But, I'm satisfied Erudio wasn't in any way bound by that previous arrangement and was entitled to require Mr D to apply in line with its own procedures.

I've seen Mr D didn't provide the personal information Erudio asked for when he emailed about his application. Erudio says it wanted the information for security purposes. And, it wasn't able to access Mr D's account without that. I appreciate Mr D was frustrated by this. And I've seen he felt it was reasonable to tell Erudio if he didn't hear otherwise, he assumed it agreed with his application. But, at that stage I'm satisfied he knew he hadn't yet completed the application process, and hadn't provided the information Erudio needed to access his account. So, I don't think Erudio was wrong not to agree to defer his loan further.

Mr D says when Erudio wrote to tell him about the activation of his account and arrears, he was travelling. He says he didn't get letters forwarded to him and didn't know what was happening. I'm satisfied Erudio did what it could to communicate with Mr D before defaulting his account. Erudio sent a number of letters to the address it had for Mr D. I appreciate Mr D says post isn't always sent on to him, and his contact address changed. But, I've seen Erudio tried other ways to contact Mr D, including phone and fax. And I think Mr D should reasonably have known his payments hadn't been deferred.

Taking all things into account, I think Erudio tried to work with Mr D to avoid his account defaulting. So, I don't uphold this complaint.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 23 May 2016.

Loucia Kyprianou
ombudsman