

complaint

Mr A complains that Erudio Student Loans Limited didn't contact him when it took over his student loan.

background

Mr A's account was transferred to Erudio by the original loan provider in March 2014. Mr A says he received correspondence from the original loan provider telling him about the transfer. But, he says he didn't hear from Erudio until late 2015 when he was told his account was in arrears.

Mr A says he'd previously successfully deferred his repayments because of his financial circumstances. He says he would have qualified for deferment after Erudio took over, but Erudio didn't contact him.

Erudio says it wrote to Mr A's last known address in March 2014 with a deferment application form. It also wrote in July and October 2014 to tell Mr A that his account was in arrears. But, the letters were returned.

Erudio says it traced Mr A in November 2015 and wrote to him again. Mr A replied in December 2015.

He returned his deferment application in January 2016 and Erudio backdated the deferment period by three months. But, Erudio says Mr A has to pay the arrears that have accrued from 10 May 2014, when his last deferment period ended, until 10 November 2015.

Mr A has sent in copy tenancy agreements to show he moved in February 2014, July 2014 and July 2015. He says he had the same landlord throughout and so a forwarding address was always available. He also says his email address didn't change.

Our adjudicator didn't think Mr A had been treated unfairly because there wasn't anything to show he'd told Erudio that he'd moved. And, Erudio's system notes indicated it had written to Mr A's last known address before his deferment period had ended in 2014.

Mr A has asked for his complaint to be reviewed by an ombudsman.

my findings

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

Having done so, I am unable to uphold Mr A's complaint.

Mr A says the original loan provider wrote to him in 2014 to tell him that his loan was being transferred to Erudio. Mr A changed address the same month, but he didn't give Erudio his new details.

I'm satisfied Erudio wrote to Mr A at his last recorded address with a deferment application form, as this is what Erudio's system notes show. As Mr A didn't return the application, his loan became repayable when the previous deferment period ended. This is the case even though he says he would have qualified for a further deferment at the time.

When he applied to defer in January 2016, Erudio granted his application and backdated the deferment to November 2015. Erudio doesn't have to backdate further.

For these reasons, I'm not able to ask Erudio to remove the arrears that accrued from May 2014 to November 2015.

my final decision

I realise Mr A will be disappointed with this outcome. But, for the reasons given, I am not able to uphold his complaint against Erudio Student Loans Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 July 2016.

Athena Pavlou
ombudsman