

complaint

Mrs Y complains that Erudio Student Loans Limited has not explained why it says her loan account is in arrears.

background

Mrs Y has a student loan with Erudio. In 2015 she received a letter from Erudio saying that she owed over £1,500 in arrears. She disputed this because she says her loan has always been deferred, so no arrears should exist.

Erudio says that in fact Mrs Y had not applied to defer her loan in 2014, so arrears accrued for a year until the loan was deferred again in 2015. It says it wrote to tell her this in its final response letter in February 2016. Mrs Y says she never received this letter. She feels that Erudio was ignoring her.

Our adjudicator did not uphold this complaint. He agreed with Erudio that the loan had not been deferred between 2014 and 2015. He also thought that Erudio had explained this clearly in its letter. Mrs Y 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.

It does appear to be the case that the loan was not deferred in 2014. Consequently repayments should have been made, but were not. That meant that arrears began to accumulate from May 2014.

In May 2015 Mrs Y applied to defer the loan again. That application was granted in July, and backdated to May. Because the loan was backdated, the arrears which had accrued in May, June and July were cancelled. But the arrears which had already accumulated before May 2015 were still owed.

Mrs Y thinks that the loan has always been deferred. I accept that she believes this, but I've seen no evidence to suggest that this is actually the case. So I don't think Erudio did anything wrong by sending her the arrears notices.

I have read Erudio's final response letter. It contains a clear explanation of what happened. I accept that Mrs Y did not receive it. But I also accept that Erudio sent it. It's not Erudio's fault if it was lost in the post. So I don't think Erudio was ignoring her.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Y to accept or reject my decision before 14 October 2016.

Richard Wood
ombudsman