

complaint

Miss T has complained that Erudio Student Loans Limited unfairly added arrears to her account.

background

Miss T contacted Erudio about deferring her loan. It was unable to locate her details, and ultimately, her loan wasn't deferred. Because of this, she later found out that considerable arrears had accrued.

Our adjudicator recommended that the complaint should be upheld. She felt that Miss T had made it clear that she wanted to defer the repayments. The reason this didn't happen was because of Erudio's lack of assistance. She also felt Miss T had received poor customer service on the call.

As Erudio didn't agree to remove the arrears, Miss T's complaint's been passed to me for my final decision.

my findings

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

The key issue for me to decide is why Miss T didn't defer her loan. I accept she didn't send in the forms, or contact Erudio for some time after the telephone call. But I believe that the primary reason is to do with Erudio's behaviour on the call. I'm afraid to say the call does not make easy listening, and I was very surprised by it. Miss T makes it clear that she wants to defer the loan, but Erudio makes no real attempt to assist her or explain the process. I feel it could have and should have done far more than it did. She is also clearly very distressed, but Erudio's agent is offhand. I feel that the arrears that later accrued stem directly from this call. After the call, Miss T's health deteriorated to such a point that she was unable to take any further action for some time. But I believe she'd done all she could when she was able to. Had Erudio acted appropriately at this time, all would have been well.

For these reasons, I think it fair that Erudio remove the arrears that accrued because of this. If it has recorded any adverse information with credit reference agencies, this must also be removed.

Given the poor customer service on the call, and the further distress it led to, I feel it appropriate for Erudio to pay Miss T £150 compensation. It should also put right what happened on the call, by ensuring it clearly explains the deferral process to Miss T for the future, and taking reasonable steps to accommodate her needs due to her medical condition.

my final decision

For the reasons given above, it's my final decision to uphold this complaint. I require Erudio Student Loans Limited to:

- remove all arrears from Miss T's account that relate to this matter;
- remove any adverse information from her credit file(s) that relates to this matter;
- pay her £150 compensation or the distress and inconvenience caused; and
- ensure it explains the deferment process and takes reasonable steps to accommodate her needs going forward.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 3 May 2016.

Elspeth Wood
ombudsman