

complaint

Mr M complains that Erudio Student Loans Limited took too long to send a deferment application form ("DAF"). Then while he was waiting for this it sent him a notice of default ("NOD"). And to top it off Erudio underpaid for some post it sent to him so Mr M had to sort this out

our initial conclusions

Our adjudicator thought Erudio had acted unfairly. So he said it should apologise to Mr M for sending him the NOD. He asked it to refund the postage charge Mr M paid - £1.50. And pay Mr M £75 for distress and inconvenience.

Mr M said he'd like more than our adjudicator recommended and added some new matters. He said that Erudio had no proper basis to enforce the NOD and it had let him down again with how it was processing his current deferral and his new deferral.

Erudio said it was waiting for Mr M to accept an earlier separate final decision that why it held off sending out the DAF.

So as the parties were not agreement Mr M's complaint was sent to me to review.

my findings

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

Sadly it seems the relationship between Mr M and Erudio is rather fraught. Neither side seems to cut the other one any slack and both insist on their positions. That's their choice to make.

Erudio had already been told by us in a recent separate final decision to give Mr M a chance to send in his DAF. I think it might reasonably have understood he was in the process of doing this in the circumstances. In the same month he was requesting the DAF it was sending the NOD. I can well understand Mr M's sense of consternation in the circumstances at receiving the NOD. It seems it really didn't help matters. And I do think it caused Mr M unnecessary distress and inconvenience in the circumstances.

Mr M raises new matters. Erudio hasn't had a chance to look at these points so I can't.

If Erudio sends Mr M post, then it, not he, should pay for it.

I agree with Mr M £75 doesn't go far enough to compensate him for distress and inconvenience, when I consider the relationship between the parties. I think had Erudio reflected on it, it would've realised that sending the NOD when it did to Mr M in the very particular circumstances of this case was going to further upset Mr M. I accept that sending the NOD may have been an automated process but I don't see why it couldn't have suppressed this.

For all of these reasons I think an apology, a refund of the postage charge and £150 is a more appropriate award in the circumstances.

my final decision

My final decision is that Erudio Student Loans Limited should:

- Write to Mr M apologising for sending the NOD
- Refund him the £1.50 for the postage charge.
- Pay Mr M £150 for distress and inconvenience

It must pay the total compensation within 28 days of the date on which Mr M accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of the final decision until the date of payment at the rate of 8% simple per year.

If it considers it's legally required to deduct income tax from that interest, it must send a tax deduction certificate with the payment so that Mr M can reclaim the tax if he is able to.

Mr M should refer back to Erudio if he's unsure of the approach it has taken and both parties should contact HM Revenue & Customs if they want to know more about the tax treatment of this portion of the compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 May 2016.

Joyce Gordon
ombudsman