

## **complaint**

Mrs O is unhappy that Erudio Student Loans Limited is holding her responsible for the arrears on her student loan account.

## **background**

Mrs O complains that Erudio will not backdate her previous deferment date to January 2014. She says that if Erudio had contacted her sooner the level of arrears would not have accrued on her account. She is also unhappy that Erudio gave her incorrect information about her arrears and with the way that it handled her complaint.

Our adjudicator thought that it was fair to uphold part of the complaint. She thought that Mrs O was responsible for the arrears, as she should have contacted Erudio to complete a deferment application. She thought that Erudio had failed to provide Mrs O with the level of customer services she should have expected and had given her inconsistent information about her arrears.

The adjudicator recommended that Erudio pay Mrs O £150 to reflect the distress caused, refund her telephone expenses and remove any adverse entries made on her credit file between October 2014 and January 2015.

Erudio accepted the adjudicator's view. Mrs O accepted the recommendation regarding the complaint handling and the inconsistent information, but felt that Erudio was responsible for the arrears. She asked for an ombudsman to review her complaint.

## **my findings**

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

Mrs O has also raised concerns about the failure to update her change of address. As this relates to the previous owner of her loan account, this has been dealt with separately and I will not comment further on this matter.

With regards to the accrued arrears, I agree that Mrs O was responsible for ensuring that she completed a deferment application on a yearly basis. However, I also think that Erudio could have been more proactive in trying to contact Mrs O about her arrears. Mrs O's previous deferment period ended in January 2014. From what I have seen Erudio did not attempt to contact Mrs O, until it called her in October 2014. I think that its lack of action has more likely than not resulted in the arrears accruing longer than it would have done, if it had contacted her sooner.

Because of this I think that Erudio should now backdate Mrs O's previous deferment date to 27 January 2014 and remove any adverse information it recorded between January 2014 and January 2015. Erudio has advised that it agrees with this as a resolution to the complaint.

Erudio does not dispute that it failed to provide Mrs O with the customer services she should have expected and gave her inconsistent information about the arrears balance. So I think that Erudio should pay her £175 compensation to reflect the distress caused and the inconvenience and expense of making calls to it, to try to resolve her complaint.

**my final decision**

I uphold the complaint and I instruct Erudio Student Loans Limited to;

- remove Mrs O's arrears, as if her previous deferral period started on the 28 January 2014, immediately after the previous deferral period ended and amend its records to reflect this.
- remove any adverse information it may have registered on Mrs O's credit file during January 2014 to January 2015, in respect of the arrears.
- pay Mrs O £175 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs O to accept or reject my decision before 21 August 2015.

Karen Dennis-Barry  
**ombudsman**