

complaint

Mr A has complained about Erudio Student Loans Limited's actions in respect of a deferment application for his student loan.

background

Mr A applied to Erudio in June 2015, to defer his student loan. Unfortunately, this wasn't processed, and he was then sent letters telling him his account was in arrears.

Erudio accepted that there had been delays, and addressed many of the issues. But the deferment still hasn't been processed. Our adjudicator recommended that this should be done immediately.

Erudio has explained that Mr A will now have to fill out another deferral application. He is now very concerned that the arrears will still appear on his account, or that adverse information may be recorded on his credit file.

my findings

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

It's clear that there have been, and continue to be, significant delays with the deferral. As I understand it, this has been for a variety of reasons. In particular, it seems that Mr A made some amendments to his deferral application form, which Erudio didn't agree with. But then there was poor communication, and Mr A wasn't responded to in a timely manner.

Erudio has explained that Mr A will need to complete a new application, as the original one has now lapsed. I accept that this will need to be done. But I also feel it shouldn't have been necessary, had the application been processed earlier. I think it would have been if there had been proper communication. Because of this, I think it fair that Erudio pay Mr A £100 compensation, for the inconvenience and worry caused by this. (For the avoidance of doubt, this £100 is in addition to the £250 already offered for other issues, which I consider to have already been addressed.) As soon as Erudio has received this new application, which must be fully and appropriately completed, it must process it in a timely manner.

Erudio has already agreed to remove the arrears. As this is causing Mr A significant worry, it must write to him to confirm it has done this, and that no adverse information concerning it is recorded on his credit file.

my final decision

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

- a) process Mr A's deferment in a timely manner, backdating it to ensure no arrears have accumulated – upon receipt of a new and appropriately completed deferral form from Mr A – and provided that he qualifies;
- b) pay Mr A a further £100 compensation for the continued delays; and
- c) send confirmation to Mr A that no arrears have been applied to his account, or any adverse information recorded with credit reference agencies, in respect of this delayed deferment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 March 2016.

Elspeth Wood
ombudsman