

complaint

Miss W complains that she has received a poor service from Erudio Student Loans Limited which has resulted in her account falling into arrears. She also feels that Erudio has tried to change the terms and conditions she agreed to when she took out the loan.

background

When Miss W took out her student loan, it was with a different provider, a government owned organisation. The government then sold its interest and Miss W's loan and other identical loans were transferred to Erudio in 2013.

Miss W says she wasn't told about the transfer. She says she only found out when she noticed that Erudio had debited her account.

She is also unhappy that Erudio has asked for more personal information than the previous creditor before it will consider deferring her repayments. And, she does not agree that Erudio is entitled to report information about her loan to credit reference agencies. She feels these are changes to the terms of her loan.

Miss W says she has complained to Erudio on many occasions about the above and other issues. She says she was told that her account would be put on hold until her complaint was resolved. This hasn't happened and her account has fallen into arrears. Therefore, she feels she has been treated unfairly.

Our adjudicator didn't agree with Miss W.

She said that the previous creditor had sent notification of the transfer to Miss W's previous address. Erudio updated her address when she called and then sent a welcome pack to her new address. The adjudicator didn't think Erudio had made an error.

The adjudicator also didn't agree that the terms and conditions of the loan had been changed. Nor did she think Erudio was reporting information about her to credit reference agencies outside of the terms of her loan agreement.

Finally, the adjudicator didn't think there was evidence that Erudio had agreed to freeze Miss W's payments while her complaint was ongoing.

Miss W has asked for her complaint to be reviewed by an ombudsman. She wants Erudio to do the following to resolve the complaint:

- Confirm that it hasn't reported any information with credit reference agencies;
- Confirm that her payments have been deferred because she has sent in proof of her income, even though she hasn't signed Erudio's deferment application form;
- Apologise for the poor service she's received which has led to delays, arrears and confusion;
- Deduct an appropriate amount from the arrears.

If Erudio agrees to the above, Miss W says she will withdraw her claim for compensation and arrange to pay the arrears and an agreeable rate.

my findings

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

Having done so, I do not uphold Miss W's complaint for reasons which I give below.

notice of transfer to Erudio

I have seen copy correspondence, dated March 2014, from the first creditor giving information about the transfer to Erudio. It confirms –

- the date of the transfer and encloses a notice of assignment;
- that neither the loan terms and conditions nor the interest rate will be changing;
- that the direct debit mandate will transfer automatically to Erudio; and
- that the account will be reported to credit reference agencies in accordance with the terms and conditions of the original credit agreement

The correspondence was addressed to Miss W's previous home. She says she didn't receive it and only discovered Erudio's involvement when it began debiting her account.

There's no suggestion that Miss W had told the previous creditor that she'd moved. Therefore it would have passed the same contact details to Erudio when the account was transferred. Until Miss W contacted Erudio to update her address details, any correspondence would have been sent to her previous address.

I don't find that Erudio is responsible for the fact that Miss W didn't become aware of the transfer until after it had happened.

changes to terms and conditions

The transfer information, which Miss W did eventually receive, states in several places that the terms and conditions will not change as a result of the transfer.

Erudio employs a different system to its predecessor for processing deferment applications. It wants customers to complete an application form. I don't think this is unreasonable or onerous. Also, it doesn't amount to a change in the terms and conditions of the loan if the criteria for acceptance haven't changed.

Miss W is also concerned that Erudio is asking for unnecessary personal information on the form, which wasn't required by its predecessor. But she hasn't stated what this is.

In addition, she's unhappy about Erudio reporting information to credit reference agencies. But, the transfer documents say that any reporting will be in accordance with the terms and conditions of the original loan. Miss W hasn't provided any evidence that Erudio has gone beyond this. Indeed, she's been told that Erudio hasn't reported anything against her credit file.

freezing of payments

Miss W says she was told she wouldn't have to make any payments whilst her complaint was ongoing. However her account has fallen into arrears and she has received a default notice.

I have seen one call note dating back to August 2014. The note of the conversation indicates that Miss W decided she was going to stop paying until her complaint was resolved to her satisfaction.

Also, Erudio's final response letters refer to the growing arrears and ask Miss W to make arrangements to bring the account up to date. This indicates there was no agreement to freeze payments.

Miss W suspects that Erudio hasn't accurately recorded the many conversations she says she's had. But based on the available information I am not satisfied that Miss W was told or led to believe that she wouldn't have to make payments until her complaint was resolved.

compensation

Erudio has acknowledged there have been some delays and service failures in its correspondence. It has apologised for these. As I don't find that Miss W's arrears were caused by anything Erudio did or failed to do I don't consider she's entitled to compensation.

my final decision

For the reasons given, I do not uphold Miss W's complaint against Erudio Student Loans Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 6 June 2016.

Athena Pavlou
ombudsman