

complaint

Mr M complains Erudio Student Loans Limited (Erudio) is unfairly saying he's in arrears on his student loans.

background

Mr M's student loan payments were deferred until April 2016. In February 2016 he was sent a deferment renewal form. He didn't return it. So payments became due on his two loans from April 2016. Erudio was supposed to send him a repayment schedule before then, but it didn't. Mr M didn't start making payments. So, in July 2016, Erudio sent him an arrears letter for one of his loans.

In September 2016 he complained to Erudio. It said sorry for not sending the repayment schedule and wrote off just over £200 of debt. This was the arrears for April, May and June 2016. But it said he still had arrears of just over £200. This was for the July, August and September 2016 payments missed since the arrears letter.

Mr M says he wasn't correctly informed of what he needed to pay. So he thinks those missed payments shouldn't be considered arrears. And the amount should instead be added back to his main debt. And he wants Erudio to pay him compensation for distress and inconvenience it's caused him. He's also complained that it won't let him change his payment due date.

Our investigator thought Erudio had acted fairly. He didn't agree the missed payments shouldn't be considered arrears. Mr M didn't agree, so the complaint has come to me for a 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. Having done so, I'm not going to make Erudio do anything differently.

Erudio's said Mr M can set up a standing order to make payments on the 23rd of each month. This seems reasonable to me and Mr M seems happy with it. So I haven't looked at that issue any further.

Erudio did get some things wrong. It didn't send Mr M the payment schedule letter. And it looks like it only sent him an arrears letter for one of his loans. But it's acted fairly since. It's written off more than £200. This was the payments due up until the July 2016 arrears letter.

I don't agree that the missed payments for July, August and September 2016 shouldn't be considered arrears. Mr M knew his deferral was coming to an end. So he'd have known that payments were due from around April 2016. Even if he didn't realise this previously the deferment letter explained it.

He was reminded of the need to make payments in July 2016. He admits he realised at the time that he hadn't been sent information on both loans. This was why he didn't make any payments. He was waiting for more information from Erudio.

But he could've started paying the loan he had been written to about. And he could've contacted Erudio to ask how much he needed to pay for the other loan. Instead he waited until September 2016 to contact Erudio. That was his choice. But it doesn't mean the payments weren't due and the arrears shouldn't stand.

I'm not going to make Erudio pay Mr M anything for distress and inconvenience. It made a few mistakes. But it's made up for that by writing off more than £200 of debt.

my final decision

For the reasons given above, I'm not going to make Erudio Student Loans Limited do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 September 2017.

Daniel Martin
ombudsman