

## **complaint**

Mr H complains that Erudio Student Loans Limited has mismanaged his student loan account.

## **background**

Mr H is unhappy that despite the business confirming his repayments were deferred, it continued to harass and intimate him for repayment.

The business has apologised for the administrative error which meant that his deferment was not processed. It removed the arrears that were shown on his account in error. It also re-issued statements sent by the previous owner of the loan and refunded interest and charges for the period that the statements did not comply with the Consumer Credit Act 1974.

Our adjudicator thought that Erudio had treated Mr H unfairly by chasing him for repayment when his account was in deferment; she recommended that it pay him £150 to reflect the distress caused.

Erudio accepted this recommendation, Mr H did not. Mr H was unhappy with the level of compensation awarded; he did not think that this reflected the breaches of the Consumer Credit Act or the stress caused by its repeated contact. He asked for an ombudsman to review his 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 agree that the complaint should be partly upheld.

There is no dispute that Mr H was pursued for repayment in error and so the outstanding issue is what Erudio should pay him to reflect the distress it caused. Mr H does not feel that £150 is an adequate penalty, but this service has no power to fine or punish the business. We look at what we consider to be fair compensation in light of the impact on the consumer.

In respect of the paperwork sent by the previous owner's of the loan, not complying with the Consumer Credit Act; I can see that Erudio has already agreed to remedy this and I think that this is reasonable in the circumstances.

I can see that Erudio sent Mr H letters and called him a number of times to request repayment. On one occasion I can see that it left three voice-messages in a single day. Mr H has explained that he was going through a very stressful period in his life, following a family bereavement.

I am satisfied that Erudio's actions would have caused Mr H additional stress. However, I don't think that the level of contact amounts to either harassment or intimidation. In the circumstances I think that it is fair for Erudio to pay Mr H £250.

**my final decision**

I partly uphold the complaint and I instruct Erudio Student Loans Limited to pay Mr H £250 compensation for the distress it caused.

Erudio Student Loans Limited must pay the compensation within 28 days of the date on which Mr H accepts my final decision. If it pays later than this it must pay interest on the £250 from the date of the final decision until the date of payment at the rate of 8% per 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 H can reclaim the tax if he's able to.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 14 August 2015.

Karen Dennis-Barry  
**ombudsman**