

complaint

Mr B has complained that Erudio Student Loans Limited's delays have meant it's unfairly applied arrears to his account.

background

Mr B had a student loan with Erudio. He wanted to make full monthly repayments, but there were delays at Erudio's end. He feels that arrears accrued on his account because of this. Erudio accepted there had been mistakes, and offered Mr B £100 compensation for this. Unfortunately it then didn't send him the cheque, so offered a further £50 for this.

Our adjudicator recommended that the complaint should be upheld. He felt that if Erudio had responded to Mr B's requests sooner, the arrears wouldn't have accrued. He felt £200 would be more appropriate.

Erudio disagreed. It felt that £150 compensation was fair, and didn't feel the arrears should be removed.

The complaint's now been passed to me for my 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 agree with the adjudicator. I think £200 is fair compensation. This is because it was stressful for Mr B to have arrears accruing on his account – including receiving a number of letters about this and his concerns about the effect on his credit file, that the delays were frustrating, and that he wasn't sent the cheque.

I also think it fair that the arrears be removed. This is because I don't think they'd have accrued if Erudio had responded to Mr B in a timely manner. It's clear to me that he wished to make the full contractual repayments, and indeed he has been for some time.

my final decision

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

- pay Mr B a total of £200 compensation;
- remove the arrears from his account, writing to him to confirm it has done so; and
- remove any adverse information regarding this from his credit file (if any has been recorded).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 March 2016

Elspeth Wood
ombudsman