

## **complaint**

Ms L complains that Erudio Student Loans Limited transferred her student loan debt to another company. She'd like her student loan account reinstated.

## **background**

Ms L had a student loan with Erudio. She says wrote to them in July 2014 to tell them about her change of address. At that time her student loan had been deferred so she wasn't making any payments.

In October 2015, she received letters from Erudio and from a debt collection company. The letters explained that her student loan had been terminated and the debt had been passed to the new company, who asked her to arrange to pay.

Ms L contacted Erudio but it took them some time to respond to her. They explained that they'd not received her change of address letter. They'd written to the address they had for her about the deferment of her loan. When they didn't receive a response they transferred the loan to the new company. They paid Ms L £25 because they agreed they hadn't dealt with her complaint quickly enough. Ms L brought her complaint to us.

The adjudicator started by asked Erudio if they'd agree to reinstate the loan and defer it. They weren't willing to do that. When she looked at the evidence she didn't think that Erudio had acted unfairly. Erudio said they'd never received the letter telling them about Ms L's new address. The adjudicator thought that since they'd written to the address they had for Ms L and they had no other contact details, they'd done all they could. (Ms L was found in October 2015 after the debt collection company traced her.)

The adjudicator noted Ms L's next deferment was due in March 2015 and felt it would have been reasonable to expect Ms L to contact Erudio at that time if she hadn't heard from them.

Ms L strongly disagreed with the adjudicator's decision. She says that she'd always told Erudio about address changes in the past and definitely did so on this occasion too. She also says that they did have other contact details for her and provided email correspondence between her and Erudio to show that they had her email address. She says repaying the loan will cause her financial hardship.

## **my findings**

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

I'm satisfied that it's likely Ms L wrote the letter to tell Erudio of her address change in July 2014 but Erudio didn't receive it. I've looked carefully at Erudio's records, and I find no indication that they received a letter from Ms L around that time. Erudio had updated Ms L's address when she'd told them before that she'd moved, and I see no reason why they wouldn't have done the same this time if they'd received her letter.

The records show that they wrote a number of letters to Ms L. When they got no response, they terminated her account and transferred her debt to another company. Whilst I realise this outcome is likely to be upsetting for Ms L, I don't think Erudio have acted unfairly.

I think it was reasonable for Erudio to expect that Ms L would receive mail at the address they had for her. Ms L feels that they should have e-mailed her but Erudio have said they had no other contact details for her. Whilst she has submitted e-mail correspondence relating to a previous deferment application I've seen nothing to suggest that Erudio retained those contact details at that time. There was no requirement for them to do more than write to her at the address they had for her. Erudio's records show no mail was returned undelivered until after Ms L had already got in touch again in October 2015 – so I don't think they could have known earlier that she was no longer there.

When they didn't hear from Ms L, Erudio transferred her debt to another company. Such transfers are permitted under the terms and conditions of her original loan agreement, so I don't find they acted inappropriately.

I realise Ms L has concerns about her financial situation and I would hope that the company she deals with now would be sympathetic.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 18 April 2016.

Nicola Crabb  
**ombudsman**