

## **complaint**

Miss L complains that Erudio Student Loans Limited ("Erudio") hasn't refunded payments she made towards her student loan. She also believes the loan and arrears should be written off.

## **background**

Miss L took out a student loan in 2002 for just over £11,220 with a third party. In early 2014 Erudio took over the loan, prior to this any applications for deferment were dealt with by the third party.

Miss L has deferred the loan to date, except for the periods 14/4/09 to 15/2/11 and 24/2/13 to 25/9/15.

Miss L made some payments towards the loan in 2010, 2011 and 2012. But arrears accrued in the periods where no deferment applied and no payments were made.

Miss L says she felt pressurised into making payments. She is now in financial difficulty and would like the payments refunded. Miss L also says she did apply to defer her payments during the above periods, but has lost copies of her applications.

Miss L is now over 60 years of age and says Erudio should write off the loan and arrears.

Erudio says Miss L didn't apply for deferment in the periods 14/4/09 to 15/2/11 and 24/4/13 to 25/9/15, so loan payments were due as the loan wasn't deferred. The payments Miss L made went towards the loan and arrears. Erudio has provided a breakdown of arrears that accrued when Miss L didn't make payments.

Erudio agrees the loan would've been written off due to Miss L's age if there were no arrears. It has confirmed the loan will be written off if the arrears are paid off. Erudio has also agreed to consider any medical evidence Miss L provides about her health and working capacity.

Our investigator considered the complaint, but didn't uphold it. She thought the loan repayments weren't deferred during the periods set out above. So payments became due and there was no obligation to refund the payments made. Our investigator also agreed with Erudio that the age related write off didn't apply as there were arrears on the account.

Miss L doesn't agree with this view, so the matter 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.

Miss L says she did apply to defer her payments for the periods 14/4/09 to 15/2/11 and 24/4/13 to 25/9/15. I've thought carefully about this but on balance I think Miss L is likely mistaken about things. There's no record of any deferment applications from this time and Miss L doesn't have copies or any details of her applications. Also I've taken into account that Miss L did make payments during the majority of 2010 and for half of 2012. I don't think this pattern is consistent with Miss L believing the loan was deferred.

I can see Miss L contacted Erudio in 2014 saying she thought she'd applied to defer the loan, but no application had been received and Miss L didn't come back to pursue this. I think it's likely she would've done if an application had been made.

I've also taken into account that it was for Miss L to manage her account and she knew how and when to apply for a deferment given her previous pattern of deferring the loan.

As our investigator explained, because Miss L didn't defer, the contractual payments became payable in line with the relevant terms and conditions of the loan. When these weren't paid, arrears ran up. I appreciate that Miss L now says she felt pressurised into making payments but the payments that were made were properly due and went to the loan balance and arrears. And I haven't seen anything to show that Miss L was pressurised at the time.

I understand Miss L would also like everything to be written off, but as there are arrears on the loan, Miss L doesn't meet the requirements for age related write off.

Miss L says she's experiencing financial difficulties, so I remind Erudio that it should respond positively and sympathetically to her situation. This doesn't mean it has to refund payments or write-off the arrears she owes – simply that Erudio should try to work with Miss L to help her deal with any financial difficulties. And – equally – Miss L should work with the Erudio.

It's still open to Miss L to enter into a payment plan with Erudio to settle the arrears. And Erudio has confirmed that if the arrears are paid off, the balance of the loan will be written off. Erudio has also confirmed it's willing to consider any medical evidence Miss L provides about her health and working capacity. I think that's fair in the circumstances.

### **my final decision**

I appreciate that Miss L will be disappointed but for the reasons given, I am not upholding this complaint. So Erudio Student Loans Limited doesn't need to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 3 April 2017.

Sarah Tozzi  
**ombudsman**