

complaint

Ms G complains that Erudio Student Loans Limited (the business) is harassing her for payment on a loan which she is not liable for.

background

Ms G entered into student loans across three years. Her total borrowing was split across three loans one relating to each year. In March 2014 two of the loans were transferred to the business. The other loan was transferred to another entity.

Ms G says she has never earned enough to be required to make repayments and that she has always been entitled to defer. She says she was contacted in June 2014 and told that due to her age her loan had been written off. She says that she was unaware of any arrears on her loan from 2013.

Ms G says the business is harassing her for payment of almost £500 which she says she is not liable for. She says the business has not responded to her emails and questions and instead was calling her three or four times a day requesting payment.

The business says that arrears of £165 built up on Ms G's loans in 2013. It says this happened because Ms G's deferment ran out in April 2013 and was not put in place again until June 2013 resulting in two month's payments being due. It says her deferment then ran out again in June 2015 and that further monthly payments fell due increasing the arrears. It says that once the deferment is in place this can be backdated for three months.

The business says that its terms and conditions set out that the loan will be written off when the customer turns a certain age but only if nothing is owed. Because Ms G's account was in arrears it could not be written off. Once the arrears are paid the account will be written off.

The adjudicator did not find that the business had done anything wrong. She said that the loan write off letter was from another entity and did not relate to the loans Ms G had with the business. She accepted the Ms G had experienced health issues in 2013 but did not find these prevented her from communicating with the business.

The adjudicator did not find that the business had harassed Ms G.

Ms G did not agree. She said that she was unaware of the arrears and that she had never earned enough to be required to make repayments. She said that her health issues in 2013 meant she was unable to communicate with the business and a family member was dealing with the business at that time.

my findings

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

When the business took over two of Ms G's loan accounts they were in arrears. I accept that because of this the loans were not written off when Ms G reached a certain age. This is in line with the loan terms and conditions.

Ms G said she was told that her loan was written off however I have no evidence to support this. The letter provided by Ms G relates to a different loan. While I can understand the confusion as Ms G's student loans were transferred to two different entities, I do not find that the business has done anything wrong.

Ms G says that she was unaware of the arrears. The business says that when it took over the loans a welcome pack would have been sent out and information about the loans would have been provided loan. I have not seen a copy of this but I find it more likely than not that Ms G would have been informed of the business taking over the loans and provided information about the loans at that time.

Ms G's deferment period ended in June 2015 and the business has said that as a new application for deferment was not received and so monthly payments became due. Based on the deferment not being in place, I do not find it unreasonable that the payments fell due.

I appreciate Ms G's comments that she has never earned enough to require her to make repayments. However I find that the arrears have been applied in line with the terms and conditions of the loans. The business has confirmed that once the arrears are cleared the loans will be written off.

Because of the arrears on Ms G's account I find it reasonable that the business has contacted her about repayment. Based on the information provided I do not find that this contact has been excessive.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 4 April 2016.

Jane Archer
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