

complaint

Mr A complains about a number of issues he's had with Erudio Student Loans Limited ("Erudio"), since it took over his student loans.

background

Mr A had three student loans, purchased in 2014 by Erudio from the original provider.

Starting in 2014, he complained to Erudio about its delay in sending him his loan statements, and signed copies of his agreements. He was unhappy about calls he'd received chasing payment, which he said was harassment, and that he didn't have an account with it.

He's also complained since then about the deferment of one of the loans, saying that his debts began to mount because of the delays involved in arranging this, and the consequent arrears.

Erudio didn't uphold his complaint, but it did offer £50 compensation and to roll back his deferment by three months.

It said that it didn't delay the deferment as the appropriate form was sent to Mr A in March 2014, but that he didn't complete and return it because he was waiting on a response to his complaint at the time.

It also confirmed that he did hold an account, as purchased from the previous lender, and that there was no change to his terms and conditions.

In response to the harassment complaint, it said that as Mr A was in arrears it was entitled to chase the debt owed, and that it got his home phone number from the previous lender when it bought the debt.

Mr A remained unhappy, and complained to us. Part of his complaint was about the enforceability of one of the loans, as Erudio hadn't given him a signed copy of the agreement.

Our adjudicator looked at the evidence and upheld the complaint in part. She said that on enforceability we'd not be able to comment, other than in respect of whether we thought Mr A had received and used the money, and therefore it would only be fair that he paid it back.

On the matter of the deferment, she found that Mr A had taken the decision himself not to sign and return the form, which is what actually caused the delay. However, in an effort to mediate she recommended that Erudio backdate Mr A's deferment to when he would have had it had he done so.

She also recommended that Erudio pay Mr A £150 in compensation, which was for the poor customer service and significant delays in responding to Mr A's letters and requests.

Mr A remained unhappy, and continued to argue that the terms and conditions of the loans had changed, which affected their enforceability.

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'm in agreement with our adjudicator that for the most part the complaint can't be upheld. That's on the matters of enforceability and harassment.

She was right to say that we won't look at legal enforceability of an agreement, but we can comment that if Mr A did get the benefit of the loan funds, then it's entirely reasonable that he be expected to pay it back. And on a connected note, if he's failing to make those repayments, I don't think it's harassment for Erudio to call him.

However, I do think Erudio dealt with Mr A poorly in taking so long to deal with his requests, and that in the circumstances it's reasonable to ask it to pay him more than the £50 originally offered.

I also agree that in an effort to get things back on track between the parties, Erudio should backdate Mr A's deferment to when it would have taken effect originally. This is subject to Mr A signing and returning the deferment form, and it being accepted.

my final decision

My final decision is that to resolve this complaint, Erudio Student Loans Limited should:-

1. Backdate Mr A's deferment to the original deferment end date of 9 May 2014 (subject to a signed deferment form being submitted and accepted); and
2. Pay him £150 in compensation (on the understanding that the original £50 cheque, which hasn't been cashed, is cancelled).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 February 2016.

Ashley L B More
ombudsman