

## **complaint**

Mrs B has complained that Erudio Student Loans Limited unfairly applied arrears to her loan account.

## **background**

Mrs B had a debt with Erudio. She's explained she would have deferred it, but didn't receive the required form. As a result, it wasn't deferred, so arrears accrued.

Our adjudicator recommended that the complaint should be upheld, and the arrears waived.

Erudio disagreed. It said it had highlighted Mrs B's deferment end date to her in a letter sent in March 2015. So it felt she'd have known when her deferment was ending, and should've chased it up.

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 can see that Mrs B was sent a letter dated 23 March 2015. This set out the dates, and said a form would be sent. It seems this didn't happen. But I'm satisfied that if it had done, Mrs B would have deferred her loan, given her history of doing so.

I accept Erudio's point that Mrs B should ideally have contacted it to say she hadn't had the form. But overall, I think the problem was created by Erudio not, as it seems to me, sending the deferment form.

The matter was then worsened, because Mrs B didn't know she was in arrears. This was because Erudio sent her the arrears letters all in one pack, in May 2016. This shouldn't have happened. I know Erudio said it had sent a letter on 31 August 2015, but it seems it wasn't received. Although this wasn't Erudio's fault, it still remains the fact that it wrongly sent a number of letters in one pack.

Taking all of this into account, I think it's fair that it remove the arrears that accrued as a result of the deferment not happening – specifically, those that accrued between 23 March 2015 and 27 May 2016. This also needs to be reflected on her credit file(s), as I don't think the arrears should have been applied.

## **my final decision**

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

- remove all arrears that accrued from 23 March 2015 until 27 May 2016; and
- ensure Mrs B's credit file(s) reflect the removal of the arrears – specifically, it/they shouldn't show that they existed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 28 December 2016.

Elspeth Wood  
**ombudsman**