

complaint

Mr T complains, in summary, that Student Loans Company Limited ("SLCL") pursued him for a debt that was statute barred.

background

Mr T said that SLCL should not have pursued him for repayment of a debt in October 2008 because it was statute barred pursuant to the Limitation Act 1980. He said that the threat of legal action caused him to seek to declare bankruptcy in November 2008 which has had a detrimental effect on both his personal and professional life resulting in considerable distress and inconvenience. He is seeking compensation in excess of £60,000.

SLCL said that the debt was not statute barred until after Mr T declared bankruptcy. It has since removed the default it applied to Mr T's credit file, and it is no longer pursuing the debt, but it has rejected Mr T's claim for compensation.

The adjudicator did not recommend that the complaint should be upheld. He concluded that SLCL had acted correctly in removing the default and writing off the debt. He could not say with certainty that the difficulties Mr T had experienced were solely due to his becoming bankrupt, and he noted that the decision to declare bankruptcy was made by Mr T of his own volition. He noted that SLCL had said that the date the debt became statute barred was 12 August 2009, but that Mr T said it had become statute barred in February 2007.

Mr T disagreed, and he responded to say, in summary, that the adjudicator had accepted SLCL's version of events, and not his view that the debt became statute barred in February 2007. He considered that as the debt became statute barred in February 2007, SLCL had then acted illegally in pursuing him for the debt in contravention of the Consumer Protection from Unfair Trading Regulations 2008 ("CPR").

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

It is clear that Mr T has very strong feelings about SLCL's actions. Mr T has raised a number of issues which he would like this service to answer. It is, however, for me to decide what I consider to be the relevant issues, in order to resolve the complaint in line with my statutory duties. So, while I have considered all that Mr T has said, I do not necessarily need to comment individually on all of the issues he has raised. We are also not a regulator and have no power to fine or punish a financial institution for any errors made.

I can see that Mr T did not inform SLCL of his whereabouts after living in Southern Europe. I note that it was a condition of Mr T's credit agreements that he tell it in writing of a change in his address. I have seen no evidence that he did this when he then moved elsewhere as SLCL had to write to his family members to try to trace him. It also sent payment demands to his last known address until 2005. I also note that it was a condition of the credit agreements that all notices sent to Mr T's last known address shall be deemed to have been duly given to him.

I note what Mr T has said about his belief that the debt was statute barred. But it was for him to raise that as a defence to SLCL's claim for repayment. He did not do so, and instead

chose to seek bankruptcy. The consequences of that decision must therefore fall on him, rather than the lender.

my final decision

My decision is that I do not uphold this complaint.

Roslyn Rawson
ombudsman