

complaint

Ms W complains that Erudio Student Loans Limited gave her incorrect information about closing her accounts.

our initial conclusions

Our adjudicator thought that based on what she'd seen Ms W had two accounts. She said one account had closed due to Ms W's age. But the other one hadn't closed because there were arrears.

She thought that the relevant terms and conditions were clear. They say if there are arrears on an account these must be paid off before the account can be closed based on the borrowers' age. Ms W had accepted these terms and conditions. It appeared that the arrears had been run up by her. So our adjudicator thought it was reasonable for Erudio to keep the account open in these circumstances.

It seems Erudio accepted this recommendation. Ms W didn't. She said she knew nothing about the arrears and she didn't think she ought to be asked to pay them. Further, she mentioned, if one loan account was closed because she reached a certain age, then surely the other loan account should've been closed too.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've finished looking at Ms W's case. I do think it's ok for Erudio to keep the account open in the circumstances. And for this reason I don't think I can fairly uphold her complaint. I explain my reasoning below

According to Erudio's records Ms W had two loans. One of the loans had no problems because Ms W had no arrears on it (Loan 1). But the other loan (Loan 2) did have arrears. From what I've seen Ms W ought to have known she had two loans because she applied for them and because she filled in deferral application forms (DAFs) for both loans over a number of years.

So when she got a letter from Erudio about Loan 1 saying this account would be closed I don't see why she seemingly assumed this covered both loan accounts. In other words, I don't agree that it gave her incorrect information.

However, it wasn't entirely clear to us how Ms W had run up the arrears because it looked like she had been deferring her repayments as she's entitled to do. So we asked Erudio to tell us more about this. It said its records showed that the deferment period for Loan 2 ended in May 2014. At that point either Ms W should've sent in a completed DAF or started making loan repayments. Its records show she did neither so the arrears were run up. But it seems she was aware she needed to fill in the DAF for Loan 2. I say this because Erudio's records show correspondence with her about this. I've no reason to think that Erudio's records are inaccurate.

Under the relevant terms and conditions Erudio is allowed to keep an account open and ask for the arrears to be repaid even if the borrower has reached an age at which the loan would normally be written off.

For all of these reasons I've no proper basis to ask Erudio to write off Loan 2 and close the account.

If Ms W wants further information about the arrears and what to do about them she should speak directly to Erudio.

my final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 28 November 2016.

Joyce Gordon
ombudsman