

## **complaint**

Mr G has complained that Erudio Student Loans Limited is wrongly seeking student loan repayments from him.

## **background**

Mr G took out three student loans, and Erudio now owns that debt. In particular, he says he wasn't sent a notice of assignment (to say the owner of the debts had changed), and that the debts aren't valid. He also says he should have been allowed to defer repayments.

Our adjudicator felt that there was evidence that the debts existed, and that Mr G had been sent a notice of assignment. He also felt that Mr G hadn't sent in the necessary information for Erudio to consider in deciding whether to agree to a deferment.

That said, he did feel there had been an element of poor customer service, particularly as it didn't respond to Mr G on one occasion. It offered to pay £150 compensation for this. This was in addition to previously having offered to waive three months' of arrears. Our adjudicator felt this was fair.

Mr G disagreed. In summary, he says:

- he didn't receive a deed of assignment, so Erudio hasn't proved any debt is owing or that it owns the debt;
- he's repaid two of the three loans, but Erudio's figures don't reflect this;
- he believes the third loan should have been cancelled, as he was under 40 when he took it out, and is now over 50;
- his income is below the deferment threshold; and
- Erudio hasn't responded to him in a timely fashion.

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.

First, I should explain that it's not my role to determine whether or not loans are enforceable. This is a matter for the courts. With that in mind, I'll now address each of Mr G's main concerns, as far as I can.

Erudio is not required to provide Mr G with a deed of assignment. This is because it's a confidential document, between it and the previous loans company. What it should provide is the *notice* of assignment, and I see it did so in April 2014. So I think Mr G was told the debt had been assigned.

The notice of assignment also shows that a debt exists. I know that Mr G disputes the figures, but I don't have enough evidence to show the figures are wrong.

Mr G has said that he was under 40 years old when the loans were taken out, and is now over 50. So he feels that this means his liability to repay them (or the one he feels is outstanding) should be cancelled under the Education (Student Loans) Regulations 1998.

Ultimately, it's down to a court to decide whether or not the loans are unenforceable. But I note that the regulation only applies if the borrower isn't behind on any repayments. In this case, I don't have sufficient evidence to show that Mr G is up-to-date with his repayments.

I turn now to the issue of whether or not Mr G should have been allowed to defer his loans. This is possible when a person earns less than the threshold at which they must repay. I'm aware that Mr G has previously deferred his repayments. But this doesn't mean he can defer them indefinitely. Each time he wants to defer, he needs to provide the creditor (which is now Erudio) with information (specifically, details of his income), to allow it to decide if he's eligible. In this case, I can't see that he's provided this information. This means Erudio wasn't unreasonable in not allowing a deferment.

I do agree that Erudio didn't always reply to Mr G in a timely manner, although it did enter into a considerable amount of correspondence with him. It has accepted this, and offered him £150 compensation, as well as writing off three months of arrears. I think this is fair.

### **my final decision**

I require Erudio Student Loans Limited to remove three months' of arrears from Mr G's account, and pay him £150 compensation for poor customer service. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 December 2015.

Elspeth Wood  
**ombudsman**