

## **complaint**

Mr C is unhappy with the way that Erudio Student Loans Limited handled his application to defer his student loan repayments.

## **background**

Mr C says that he received poor customer service from Erudio. His deferment application was drawn out, as Erudio required further information. In particular Mr C is unhappy that it collected a direct debit payment from his account in July 2014, after he had submitted his deferment application form (DAF).

Erudio acknowledged that it had made administrative errors. It has since processed Mr C's deferment application and backdated his arrears.

Our adjudicator looked at the complaint; he thought that the complaint should be upheld and recommended that Erudio pay Mr C £150 to reflect the distress caused.

Erudio accepted the adjudicator's recommendation. Mr C feels that Erudio have not been held to account for its actions. He asked for an ombudsman to review his complaint.

## **my findings**

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

There is no dispute that Erudio failed to provide Mr C with the customer service that he should have expected from it. He returned his DAF in May 2014, Erudio failed to tell him that his application had not been successful and that it required further information. This error resulted in Mr C's account entering repayment and a direct debit payment was collected from his account. Mr C was able to claim the payment back through his bank.

I think that having the money taken from his account, when he thought his loan had been deferred would have caused Mr C some distress; I agree with our adjudicator that £150 is reasonable compensation in the circumstances.

I appreciate that Mr C will remain disappointed with my decision, but as the adjudicator has explained, our role is to resolve individual complaints, unlike the Financial Conduct Authority, we are unable to punish or fine the business.

Mr C also raises concerns about whether Erudio is acting legitimately in managing his student loans. I don't wish to upset Mr C further, but I think it is worth saying that I consider Erudio to be entitled to administer his student loans. And I disagree with him, that Erudio did not have his permission to collect the direct debit payment; I say this because, Mr C had a direct debit arrangement set up on his account, which was transferred to Erudio. However, that being said, I think that it was unfair for Erudio to collect the direct debit payment, without letting Mr C know that his DAF was unsuccessful.

## **my final decision**

My final decision is I uphold the complaint and instruct Erudio Student Loans Limited;

- to pay Mr C £150 for the distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 10 July 2015.

Karen Dennis-Barry  
**ombudsman**