

## **complaint**

Mr G complains that Erudio Student Loans Limited is requesting information that is not required in order to have his loan deferred. He complains that the form he has been requested to sign is not in line with his original agreement. He also complains that he was sent a letter saying his previous deferment had been cancelled when it hadn't.

## **background**

Mr G made a complaint to the financial ombudsman service in 2015 about problems regarding the deferment of his loan for 2015-2016 and the information he had been requested to provide. His complaint was upheld.

Mr G says that he received a letter saying that his deferment had been cancelled but after contacting the business he was told that this was a mistake and he was offered £50 compensation.

Mr G says that he applied for the deferment of his loan for 2016-2017 in good time and provided the same information he had provided the previous year on which the deferment was granted. He says he will not sign the application form he has been requested to sign without the amendments he has made, which he says were previously accepted.

Mr G wants his deferment accepted and the arrears removed from his account. He is concerned about the use of his information and does not want information about this loan provided to the credit reference agencies (CRAs). He says that providing such information would go against the terms of his original agreement. He also does not accept that third parties can be contacted to check his income information.

The business says that Mr G is required to complete the deferment application form (DAF) for his request to be processed. It says that it accepted Mr G's previous amended form following the decision by this Service but says that since then the DAF has been changed.

The adjudicator said that Mr G had provided enough evidence to enable his deferment to be processed. She said that information from a third party should not be required as the loan was in Mr G's name and he had provided information about this income and a letter from his partner.

The adjudicator said that it was not unreasonable that the business required Mr G to sign the DAF without making amendments. She said that the form was different to the one Mr G previously complained about and said that information about his loan would only be shared with CRAs if he had agreed to this separately to the form.

Mr G did not accept that he should be required to sign the DAF without his amendments. He said the law only required evidence of his income and he had provided this. He said there was no requirement for information to be provided through a form or any other specified medium.

He said that based on his original agreement, the business does not have the right to report information about his loans to the CRAs unless they are in default.

Mr G says that the form with his amendments is the same as the form he provided in the previous year and so he has fulfilled his obligations in regard to the deferment.

### **my provisional conclusions**

I issued two provisional decisions on this complaint. After reviewing the information provided by both parties in response to my first provisional decision I concluded in summary:

- the business can decide its own practices and that it is not unreasonable that it will amend the way it does things in order to manage its accounts. That said it is not unreasonable that when concerns are raised about the information requirements of its processes this issue is considered in light of the original requirements of the loans;
- the business and Mr G disagreed on what data the business can share about the loans. I found that the terms and conditions of each loan are governed by the original loan documents and not the DAF or any amendments made to this;
- the original agreements allow information to be shared in certain circumstances and it was not for me to give general guidance about what the business can and can't do with Mr G's personal data or ask the business to give Mr G general assurances about data sharing;
- irrespective of the amendments on the DAF and the DAF itself, the loans are governed by the original terms and conditions;
- the information Mr G provided and confirmed was sufficient for his deferment application to be processed.

Based on this I found it reasonable that the business put Mr G back in the position he would have been had his deferment been processed in December 2015. On the assumption that Mr G was eligible for deferment the business should then re-work his account to remove any arrears or charges which wouldn't have been added had the deferment been granted at that time.

Mr G said he welcomed the findings on the whole. He noted a posting on the business' website regarding information being provided to credit reference agencies for accounts that are in default. He also said that he had received a statement showing he was in arrears and that he wanted an updated statement to show his account is no longer in arrears.

### **my findings**

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

The key issue is whether the business should have accepted Mr G's deferment application. Based on the information I received I found that Mr G had provided evidence of his income and a cover letter stating that the information provided was accurate to the best of his knowledge. He also completed and signed a DAF dated December 2015 which contained his amendments. I understand the comments about the amended form but I find that Mr G had provided the information needed for his deferment to be processed.

Because of this I uphold his complaint.

Mr G has requested that he is provided with an updated statement showing his account is not in arrears. I find this reasonable.

**my final decision**

My final decision is that Erudio Student Loans Limited should re-work Mr G's account as if it had accepted his deferment dated December 2015. It should remove any arrears and charges that wouldn't have been added and stop any recovery action that wouldn't have occurred had it accepted the deferment. Mr G should then be provided with an updated statement of his account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 November 2016.

Jane Archer  
**ombudsman**