

Improving Student Loans Company service for customers in repayment

Improving Student Loans Company service for customers in repayment.

Over the last 18 months, we have made significant improvements to the student loan repayment process. More frequent data sharing (MFDS), a joint programme of work with HMRC and our Government shareholders, has helped us to reduce the amount customers are over-repaying on their student loan and provides up-to-date balances for those who repay through PAYE.

MFDS and refunding customers

Previously, repayment information was only shared between HMRC and SLC following the end of the tax year. This meant that our customers were not able to see up-to-date balance information and it caused some customers to over-repay their loans. From April 2019, SLC and HMRC began sharing repayment information on a weekly basis.

Over-repayments occur when a customer does not switch to direct debit in the final stages of their repayment term and are entirely avoidable. We have been working hard to ensure that every customer knows when to switch to direct debit, and for those who don't, we have been speeding up and improving our refund process. As a result, during 2019 – 2020, we refunded £60 million to customers who had made recent and historic over-repayments on their student loans. We are only able to do this when we have up-to-date customer information.

A further positive outcome of MFDS is that we are reducing the gap between over-repayments and refunds significantly. In the last financial year, we received just over £19 million in over-repayments and have been able to refund almost £16 million back to those customers within the same period.

In March 2020, we went one step further and established automatic refunds to customers who we hold up-to-date information for, making it easier to return funds to customers who have failed to join the direct debit scheme and have not yet claimed a refund. Since its introduction, we have automatically refunded over £4 million.

We also appreciate there will be other circumstances where customers may be entitled to a refund. Our most recent improvements have focused on helping people who have over-repaid at the end of their loan; however, we are committed to improving the experience of all our customers.

We want to go further to help customers who begin repaying through their salary before they need to. Customers are eligible for a refund when their employer mistakenly commences deductions before the Statutory Repayment Due Date is reached. Our new [online repayment service](#) makes it much easier for

customers to identify this and we are looking at ways to enhance our guidance and communications to make it even easier for eligible customers to request a refund.

Viewing up to date balances online

A key benefit of MFDS is that it has enabled SLC to significantly upgrade our digital service with the introduction of a new online repayment service (ORS).

Last month (July 2020), we launched [ORS](#) to make it easier for our customers to view their balance.

ORS is based on extensive feedback from customers who want to be able to access their balance in this way. We receive around 200,000 calls annually from customers asking for up-to-date balance information and, prior to the introduction of ORS, customers received an annual statement by post containing information which, depending on their circumstances, may not be up to date.

With the introduction of ORS, customers can quickly check their online account for an up-to-date balance and will have much greater visibility of the final stages of repayment and when to join the direct debit scheme. ORS also removes the need for paper statements. Customers can still request a paper statement but we expect this to be a small minority thanks to the online service.

The launch of ORS has also given us the opportunity to redesign our guidance for customers and to better explain how student loans are different to other types of borrowing, including a recent article on [8 things you should know about your student loan](#), available on our new GOV.UK website.

Ensuring customers avoid over-repayment

By switching to direct debit in the final stages of their repayment term, customers can avoid over-repayment altogether. We've made it even easier for customers to get in touch, particularly those that have moved overseas, with a dedicated social media team to answer any queries on repayments.

We are now in the process of contacting all customers to invite them to access their account via ORS so that when they log-on they can see their current balance. We also explain what makes student loans different to other types of borrowing in clear information and guidance. If customers are in credit they can contact us to receive a refund.

Customers can check their balance by logging into their account via www.gov.uk/sign-in-to-manage-your-student-loan-balance.

For more information, visit www.gov.uk/repaying-your-student-loan.