

SLC urges customers to join Direct Debit scheme at the end of their student loan

In a bid to tackle over-repayments, the Student Loans Company is urging customers to switch to Direct Debit in the final months of paying their student loan and to ensure their contact information is up to date, including bank account information.

In the last financial year, over 31,000 customers made unnecessary over-repayments at the end of their loan. This resulted in over £19 million being overpaid to SLC. Over-repayments are entirely avoidable if customers switch to Direct Debit at the end of their loan term. Almost £16 million of these over-repayments have already been refunded to customers but this is only possible by ensuring contact information is up to date, including bank account information.

SLC writes to every customer as they enter the final two years of repayment inviting them to switch to Direct Debit to avoid over-repaying, however, more than 75% of customers choose to continue paying through salary deductions.

To make receiving a refund even easier, in March, SLC started automatically refunding customers with up to date information. Since its introduction, SLC has automatically refunded over £4 million to customers who have not joined the Direct Debit scheme and have not yet claimed a refund. This is possible for customers when SLC hold up to date contact details, including bank account information.

Steven Darling, Director of Repayments Strategy at the Student Loans Company, said: "Over-repayments are entirely avoidable and occur if a customer does not switch to Direct Debit in the final stages of their repayment term.

"It has never been easier to find out when repayment is coming to an end as customers can quickly check their up to date balance on our online repayment service and call us to switch to Direct Debit in the final stages of their loan. "We also proactively contact customers as they enter the final two years of repayment to encourage them to switch to Direct Debit. 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 automatic refund process.

"Customers can always contact us if they are due a refund, but we would rather avoid over-repayments altogether and for customers to take action when they are coming to the end of their repayment term."

More information on the steps to take when student loan repayments are coming to an end is available online. <https://endofloan.campaign.gov.uk/>