

SLC SP04/2023

15 June 2023

Coverage: Scotland

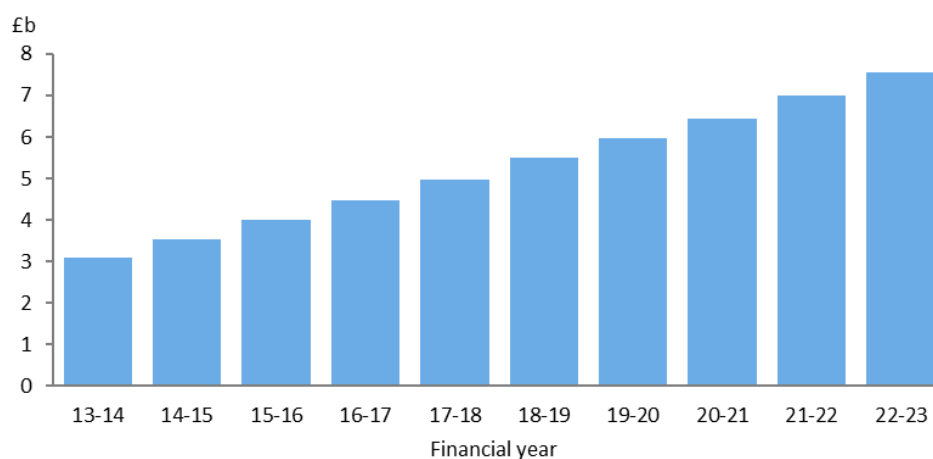
Theme: Children, Education
and Skills

Student Loans in Scotland Financial year 2022-23

Income Contingent (ICR) Student Loan balance

Higher education ICR student loan balance reaches £7.6 billion

Figure 1: Total balance of Income Contingent Student Loans at the end of financial year 2013-14 to 2022-23 (£ billion)



Source: [Table 1](#)

[Download the data for Figure 1 \(ODS, 6KB\)](#)

Figure 1 shows that the total loan balance has increased year-on-year from £3.1 billion in 2013-14, to £7.6 billion in 2022-23.

When comparing this figure to the 2021-22 year-end total of £7.0 billion, there has been an increase of 8.3% (+ £0.6 billion). This increase is consistent with those noted in the previous three financial years.

The loan balance grows year-on-year as new lending and interest added to existing balances outweighs repayments and write-offs.

Of the total balance, 76.4% are amounts which are liable for repayment. This means that a borrower has passed their Statutory Repayment Due Date (SRDD). This is the point they would become liable to begin repaying a loan (normally the April after graduating or otherwise leaving their course, provided they are earning above the relevant income threshold).

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Introduction

This statistics publication presents figures and observations on student loan outlays, repayments and borrower activity for Scotland domiciled Student Loans Company (SLC) customers. This covers students who are studying, or borrowers who have studied in higher education (HE) and further education (FE) in the United Kingdom (UK). Figures are also shown for European Union students studying in Scotland.

Figures provided here are for Income Contingent Repayment (ICR) Loans administered by SLC, which were introduced in academic year 1998/99.

This publication covers financial years up to and including 2022-23.

Complete information on student finance arrangements in Scotland are available at the Student Awards Agency Scotland (SAAS) [website](#).

Accessibility

[Public Sector Accessibility Regulations](#) mean that all public sector organisations have a legal duty to make their websites accessible for everyone, including those with disabilities. As part of SLC's ongoing commitment to improving accessibility of our websites and content, we've made changes to the way we publish our statistics.

The changes in this publication mainly affect the way we provide visual information. This includes:

- including descriptive information of the full time-series for each graph within the main body of the statistics publication.
- providing data used to form each graph in accessible / downloadable tables.
- changing the way we present charts and graphs to be more accessible, including changes to colour, labels and legends.

We create our statistics publications in a way that helps to ensure that the department's statistical outputs are accessible, while continuing to meet the statistical needs of our users.

What can you use these statistics for?

These statistics can be used as a reference to the value of the Student Loans Company (SLC) loan book at the end of the financial year, student outlay within a financial year and information on borrower activity and repayment amounts.

The data used in this publication is sourced from Student Loans Company's 'Customer Ledger Account Servicing System' (CLASS). This system only holds information on borrowers who have received funding from SLC. This publication also only includes information on loan products and does not include information regarding grants and bursaries. Under normal circumstances grants and bursaries are not considered repayable.

Due to this, these statistics cannot be used to analyse trends or to draw conclusions regarding the full UK education funding landscape.

Things you need to know

More Frequent Data Sharing (MFDS)

From April 2019 the frequency in which repayments data is provided to SLC by HM Revenues and Customs (HMRC) increased. Before this SLC received customer repayment data, reported by employers, annually from HMRC after the end of the financial year. This increased to weekly. This meant for SLC customers being paid monthly through the Pay as You Earn (PAYE) system, SLC receives information of student loan deductions monthly.

This increase in frequency resulted in a change in time series for repayments and interest applied for the 2019-20 financial year. From the 2020-21 financial year, the time series normalised with a single years' worth of repayments data being included (just those processed by SLC within that financial year).

For more information on how this affected repayments and resulting interest calculations, please refer to our [Additional information](#) section and for further detail, please refer to [GOV.UK](https://www.gov.uk).

Self-Assessment data

Self-Assessment repayment data is supplied from HMRC to SLC via a different process to PAYE. As a result, this will still be provided annually after the end of the financial year (and not weekly as for PAYE customers). This will therefore still show in the financial year in which it was posted to the customer's account, as in previous years. For this reason, financial year 2022-23 will mostly comprise of Self-Assessment repayments data from the previous financial year. This will also be true of the interest calculations being applied for these borrowers.

In Table 1, in previous years we have had to mark the figures relating to Self-Assessment repayments as 'estimated' due to this being provided later than anticipated. From 2018-19 this has been provided as expected, allowing this to be included as final figures.

In Table 4A we therefore mark the latest financial year of repayment as 'provisional' as the 2022-23 Self-Assessment earnings information is received from HMRC after the 30 April effective date. The final figure is shown in the following years' publication.

Rounding, totals and averages

All borrower numbers and amounts have been rounded to the nearest 100 and £100,000, the nearest 1 decimal point on the data tables given. Average amounts are rounded to the nearest £10. Totals and averages are calculated from un-rounded numbers, these therefore may differ from adding up rounded components.

Effective dates

The effective dates used in this publication are as follows:

| | |
|-------------------|----------|
| Table 1 and 2: | 31 March |
| Table 3, 4 and 5: | 30 April |

Tables 3, 4 and 5 provide information which requires annual PAYE end of year data supplied by HMRC to SLC, even after the introduction of [MFDS](#). This is received after the financial year ends hence the later effective date.

Executive summary - Financial year 2022-23

For more detail, please click on the individual headline...

- Higher education ICR student loan balance reaches £7.6 billion
- Total amount of ICR student loans paid out in financial year 2022-23 decreased for the second consecutive year, down to £591.2 million
- Increases in Retail Price Index (RPI) in financial year 2022-23 resulted in a rise in higher education accrued interest, to £189.2 million.
- £660 increase in the average higher education borrower's loan balance on entry into repayment, to £15,430
- 60.3% of all ICR borrowers who are liable to repay are in the UK tax system and 29.0% made a repayment in financial year 2022-23
- Higher education loan borrowers repaid £196.0 million in financial year 2022-23, up 29.1% on 2021-22
- 18.0% increase in total amount repaid by higher education borrowers via HMRC in financial year 2022-23
- 21.2% increase in total amount repaid by higher education borrowers via scheduled repayments made directly to SLC, reaching £6.2 million
- 32.6% increase in total amount repaid by borrowers via voluntary repayments made directly to SLC, reaching £19.2 million
- 15.9% decrease in the average amount repaid by ICR loan borrowers via HMRC in financial year 2021-22

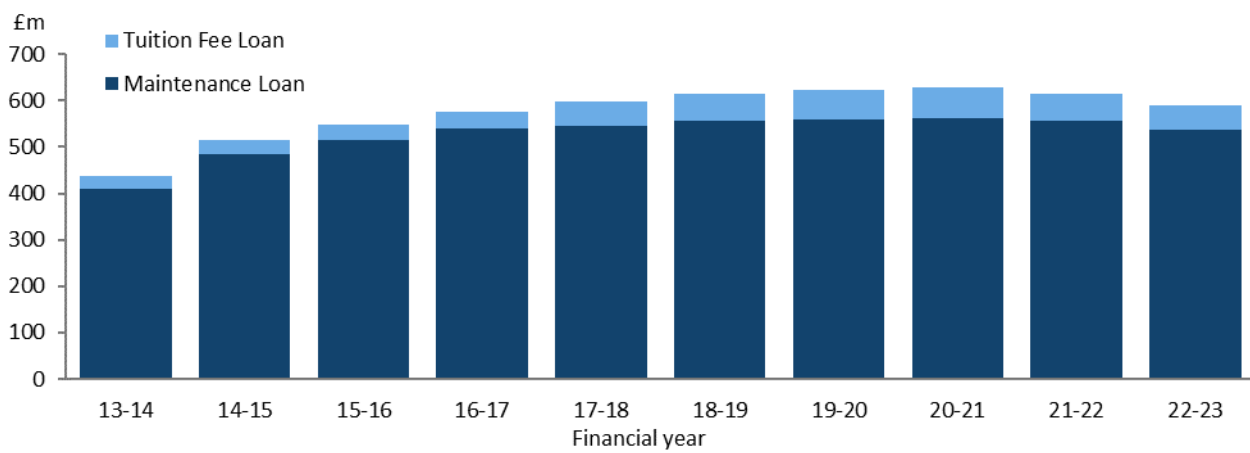
Total amount paid out in loans to student borrowers

Loans discussed in this section include Tuition Fee Loans and Maintenance Loans for undergraduates. Tuition fee lending for Scottish domiciled students studying in Scotland is arranged via the Student Awards Agency Scotland (SAAS), as is all Postgraduate funding. Tuition Fee Loans for those studying elsewhere in the UK are administered by Student Loans Company.

Total amount of ICR student loans paid out in financial year 2022-23 decreased for the second consecutive year, down to £591.2 million

Figure 2: Total amount paid out in loans to higher education loans borrowers in financial years 2013-14 to 2022-23 (£ million)

The legend follows the same order as the stacks in the bars.



Source: [Table 1](#)

[Download the data for Figure 2 \(ODS, 6KB\)](#)

Figure 2 demonstrates that the total amount paid out in the form of undergraduate ICR Loans has increased overall from £436.3 million in financial year 2013-14, to £591.2 million in 2022-23. When comparing to the 2021-22 financial year, there has been a small decrease of 3.7% in 2022-23, slightly more significant than the 2.2% decrease reported in the previous year. The decrease in 2021-22 was the first decrease on record.

£27.0 million in Tuition Fee Loans was paid out on behalf of undergraduates in 2013-14, this increased year on year to reach £65.3 million in 2020-21. 2021-22 saw the first decrease (down to £58.1 million). In the most recent year, a second decrease was observed (of - 8.9%), slightly lower than the 11.0% decrease reported in the previous year.

Following a similar trend, £409.2 million was paid to undergraduate borrowers in the form of Maintenance Loans in financial year 2013-14, this increased each year to reach £562.4 million in 2020-21. Then followed the first decrease (down to £555.9 million). In 2022-23, a second decrease was reported (of - 3.2%), more significant than the 1.1% decrease observed in the previous year.

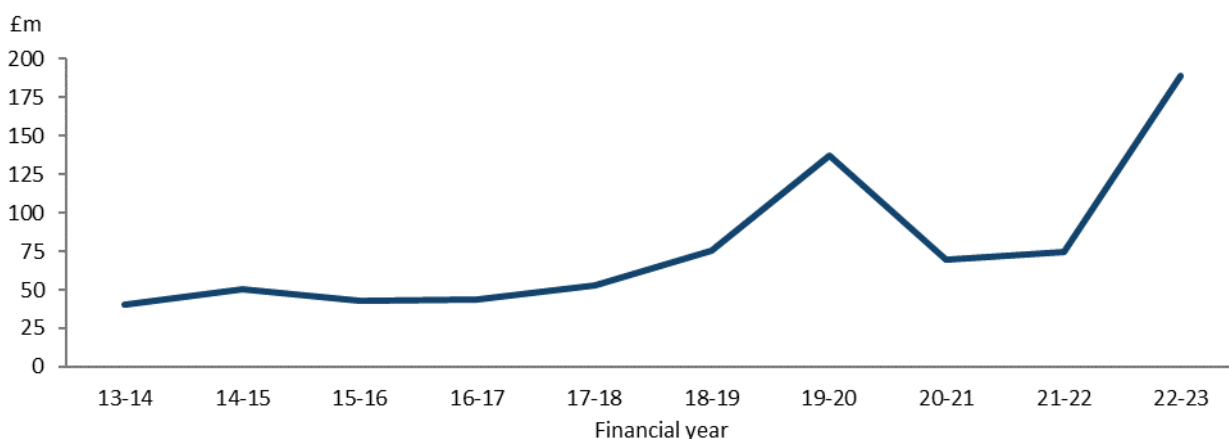
All figures relating to Tuition Fee Loans included in this publication relate to those paid on behalf of eligible students studying at publicly funded institutions outside of Scotland, along with postgraduates studying at UK-wide institutions. Eligible students studying within Scotland are not required to take a Tuition Fee loan, as their fees are funded by SAAS.

Interest added to Income Contingent Loans

The interest charge is affected by a cap at the bank base rate of +1%. The interest rate is the lower of the RPI at the preceding March, or 1% above the highest base rate of a nominated group of banks calculated regularly during the year. The interest rate does not affect the monthly repayment amount of Income Contingent Loans; it will affect the time taken to repay.

Increases in Retail Price Index (RPI) in financial year 2022-23 resulted in a rise in higher education accrued interest, to £189.2 million.

Figure 3: Total amount of interest accrued on higher education loans in financial years 2013-14 to 2022-23 (£ million)



Source: [Table 1](#)

[Download the data for Figure 3 \(ODS, 6KB\)](#)

Figure 3 shows that interest accrued to higher education loans equated to £40.1 million in financial year 2013-14, fluctuated yet followed a general slow upward trend until a sharp increase in 2019-20 (+ 82.2% to £137.0 million) due to 'More Frequent Data Share' (the more readily available data provided to SLC by HMRC). This meant that effectively, almost two years' worth of customer PAYE repayments and resulting interest calculations (those processed by SLC in both financial year 2018-19 and 2019-20) were included in the 2019-20 financial year. The time series normalised in financial year 2020-21. Further detail can be found in the [Additional information](#) section.

£189.2 million of interest was accrued on loan balances in financial year 2022-23. This is a 153.0% increase (+ £114.4 million) in comparison to 2021-22. This is as a result of the considerable increase in the RPI rate within financial year 2022-23 meaning maximum interest rates increased from 1.5% to 5.0% by March 2023.

As a result of the increase in RPI, interest as a % of the closing balance for the previous year has increased from 1.2% in 2021-22 to 2.7% in 2022-23.

Please note: A borrower's rate of interest does not affect their monthly repayment amount.

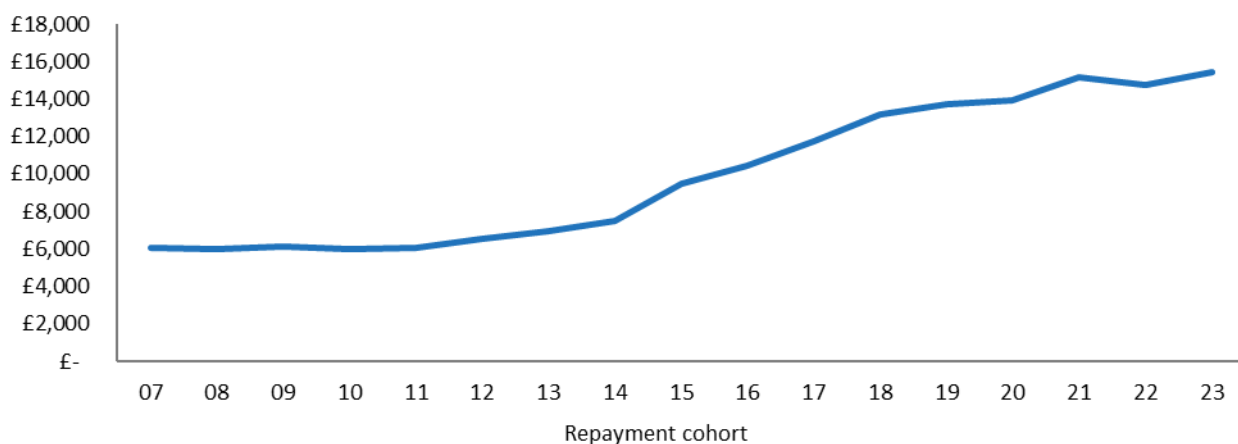
For more information on interest rates, please refer to the [Income Contingent Student Loan repayment plans & interest rates and calculations](#) section on GOV.UK.

Average Income Contingent Loan balances

This section looks at the average loan balance for borrowers at the point where their liability to repay first began (usually the April following the completion, or withdrawal from their course, provided they are earning above the relevant income threshold). The average loan balance reflects the amount paid to borrowers, plus interest added whilst they were studying, minus any voluntary repayments made by borrowers prior to them becoming liable to repay.

£660 increase in the average higher education borrower's loan balance on entry into repayment, to £15,430

Figure 4: Average loan balance on entry into repayment by repayment cohort as at the beginning of the financial year 2023-24 (£)



Source: [Table 5 \(iii\)](#)

[Download the data for Figure 4 \(ODS, 6KB\)](#)

Figure 4 indicates that the average loan balance on entry to repayment increased overall from £6,080 in 2007, to reach £15,430 in 2023. The year-on-year increases were slow between 2007 and 2014, then moved to a faster pace of increase as a result of growing number of borrowers entering repayment who started their studies post-academic year 2012/13 when Tuition Fee Loan rates (for Scottish domiciled students studying outside of Scotland) increased from £3,375 to £9,000.

In comparison to 2022, there has been an increase of £660 (+ 4.5%) which opposes the 2.4% decrease (- £360) noted in the previous year.

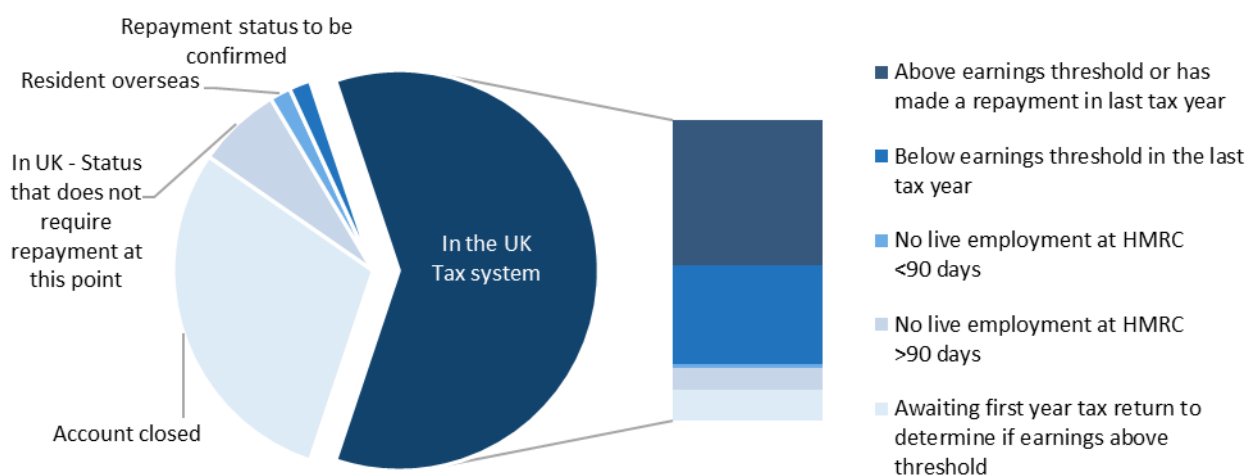
Full-time students completing three- or four-year courses are included in these averages but are diluted by other borrower types in the same repayment cohort such as those on longer or shorter courses, part time study and students that have withdrawn before completing their studies.

Income Contingent Loan borrower repayment status

Borrowers are categorised by their repayment status as at the end of the financial year. This status may change throughout the year depending on their circumstances. Until their loan balance is fully repaid or cancelled, they can move into and out of any of the other statuses.

60.3% of all ICR borrowers who are liable to repay are in the UK tax system and 29.0% made a repayment in financial year 2022-23

Figure 5: ICR Student loan borrowers by repayment status as at the beginning of FY 2023-24



Source: [Table 3A \(i\)\(ii\)](#)

[Download the data for Figure 5 \(ODS, 5KB\)](#)

Figure 5 includes all ICR loan borrowers in all repayment cohorts who have become liable to repay as at 30 April 2023.

Included in these figures is the 2023 repayment cohort. This cohort has been in repayment for less than one month from the effective date of these statistics, therefore the profile of this repayment cohort is very different to that of earlier repayment cohorts.

The number of borrowers (who are liable to repay and) who were in live employment and made a repayment in financial year 2022-23 was 204,400, a decrease on the end-April position in 2022 of 212,100. As a % of all those liable to repay, this has decreased from 31.5% in 2022, to 29.0%.

The number in the UK tax system, yet not required to make a repayment reached 139,400 by April 2023, compared to 113,200 in the previous April. As a % of all those liable to repay, this represents 19.8%, higher than the 16.8% noted in 2022.

The number of borrowers liable to repay showing no live employment for less than 90 days decreased from 6,000 to 5,200 by 30 April 2023. However, as a % of all those liable to repay, this remained reasonably constant at 0.9% (0.8% on 2022). The number of those showing no live employment for over 90 days was 30,500, higher than the 29,800 noted in April 2022. As a % of all those liable to repay, this represents 4.3%, relatively consistent with the 4.4% in the previous April.

At end-April 2023, of those overseas and above earnings thresholds for that country, the number of those who made repayments remained relatively as in the previous financial year (at 3,000). The number of those defaulted in arrears increased by 400 to 3,600. As a % of all those liable for repayment, both categories remained unchanged (at 0.4% and 0.5% respectively).

29.5% of those who are liable to repay at end-April 2023 no longer retained any loan balance, mainly due to full repayment. This is slightly higher than the 28.9% reported in the previous year.

At 30 April 2023, of the total 704,000 borrowers, 496,400 were still owing (up 4.5% and 3.6% respectively on 2022).

For end-April 2022 figures, please refer to Table 3A (i) and (ii) in our previous year's [publication](#).

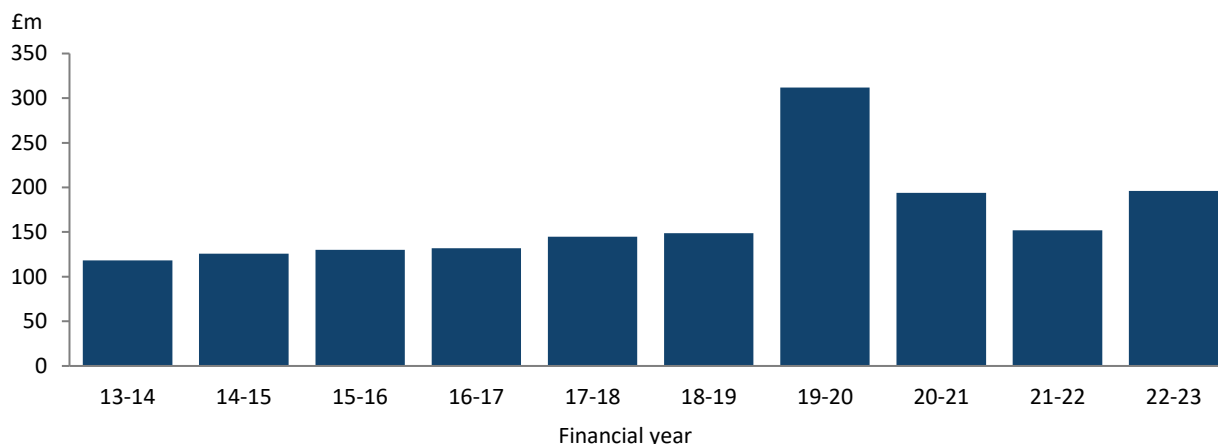
Income Contingent Loan repayments

Borrowers normally become liable to make repayments from the April following the completion of, or withdrawal from their course, provided they are earning above the relevant income threshold.

Repayments are either made via HMRC (either PAYE or Self-Assessment) or directly to Student Loans Company on a scheduled or voluntary basis.

Higher education loan borrowers repaid £196.0 million in financial year 2022-23, up 29.1% on 2021-22

Figure 6: Total amount repaid by higher education borrowers in financial years 2013-14 to 2022-23 (£ million)



Source: [Table 1](#)

[Download the data for Figure 6 \(ODS, 6KB\)](#)

Figure 6 shows that in financial year 2013-14, higher education repayments totalled £118.1 million. This steadily increased year-on-year to reach £148.9 million in 2018-19.

In 2019-20 a considerable increase of + 109.5% (to £311.9 million) was reported. This was predominantly due to more readily available data provided by HMRC ([MFDS](#)). This meant that effectively, almost two years' worth of customer PAYE repayments and resulting interest calculations (those processed by SLC in both FY 2018-19 and 2019-20) were included in the 2019-20 financial year. The time series normalised in financial year 2020-21. Further detail on MFDS can be found in the [Additional information](#) section.

The 21.6% reduction in total repayments reported in 2021-22 can be attributed to the increase in the repayment threshold from 6 April 2021. For financial year 2021-22, all borrowers who started a higher education course in August 1998 or later, were moved to a new repayment plan (from Plan 1 to Plan 4). For the introductory year of this plan, the repayment threshold was set at £25,000. This is considerably higher (+ 29%) than the Plan 1 threshold of £19,390 in place for all post-1998 borrowers in financial year 2020-21.

The total amount repaid in respect of higher education Income Contingent Loans in financial year 2022-23 totalled £196.0 million. This is 29.1% higher than noted in the previous year.

This increase could be attributed to several factors including:

- Minimal change to repayment threshold: Increased by just 1.5% (compared to + 2.6% in 2021-22)
- The increased rate of inflation in financial year 2022-23 may have positively affected borrower salaries, resulting in increased PAYE / scheduled monthly payments and/or additional voluntary repayments.
- Resulting effects of the COVID-19 pandemic: Borrowers returning to full-time work, new employment with increased salaries.
- The growing loan balance which is liable for repayment. In the absence of any other factors, this would result in an increase in repayments year-over-year.

As a % of 2021-22's closing balance, this increased slightly in comparison to the previous year (2.5% vs. 2.8% respectively). 86.8% of higher education repayments were received via HMRC and the remaining 13.2% were made directly to SLC (this split does not take into account refunds made).

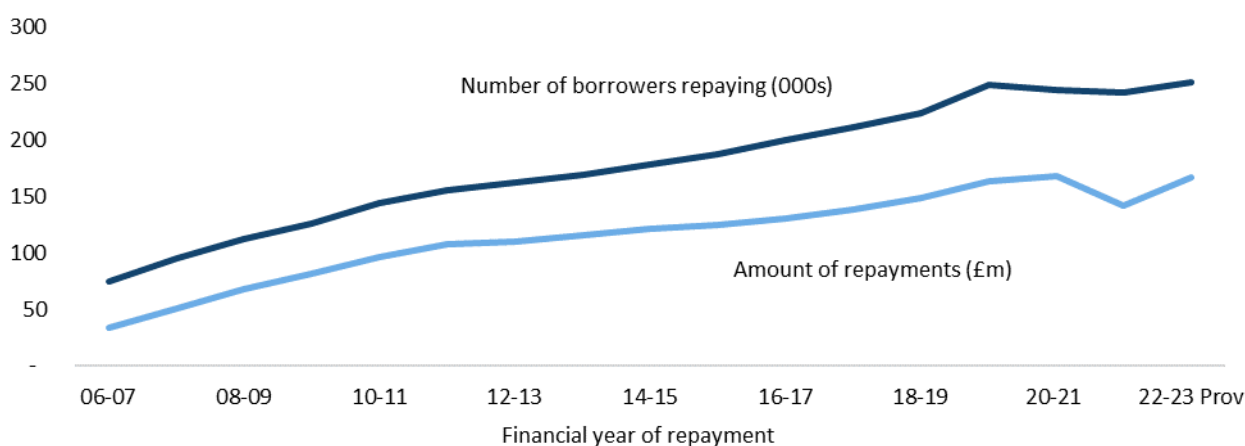
For more information on repayment thresholds, please refer to the [Income Contingent Student Loan repayment plans & interest rates and calculations](#) section on GOV.UK.

Income Contingent Loan repayments by repayment method

Repayments can be made via three methods, via HMRC (for UK taxpayers who are paid via PAYE or self-employed submitting Self-Assessment), along with scheduled and voluntary repayments which are made directly to SLC (outside of the HMRC deduction system). Scheduled repayments are made by borrowers nearing the end of their repayment term or from those overseas. Borrowers can opt to move onto a direct debit scheme paid directly to SLC to avoid overpayment via PAYE deductions. Voluntary repayments are additional repayments which a borrower can choose to make at any time and can be paid alongside scheduled repayments and those via HMRC.

18.0% increase in total amount repaid by higher education borrowers via HMRC in financial year 2022-23

Figure 7: Number of ICR student loan borrowers who made a scheduled repayment via HMRC & total amount repaid by financial year of repayment 2006-07 to 2022-23



Source: [Table 4A \(i\)\(ii\)](#)

[Download the data for Figure 7 \(ODS, 6KB\)](#)

Figure 7 demonstrates that the number of higher education borrowers making repayments via HMRC has increased year-on-year, from 75,000 in financial year 2006-07, to 241,700 in 2021-22. The total amount of repayments has also steadily increased (with the exception of a decrease in 2021-22 predominantly attributed to the increase in the repayment threshold from £19,390 to £25,000 with the introduction of Plan 4 repayment threshold) from £33.1 million to £141.4 million.

As at end-April 2023, the provisional number of higher education borrowers who made a repayment via HMRC in financial year 2022-23 was 251,300. This is 4.0% higher than the final figure for financial year 2021-22 (+ 9,600). The provisional amount repaid was £166.8 million. This is a considerable 18.0% higher (+ £25.4 million) in comparison to the final figure for the previous financial year.

The most recent financial year's figures are marked as 'provisional' due to the 2022-23 Self-Assessment earnings information being received from HMRC after Table 4A's 30 April 2023 effective date.

The movement between the provisional and final figures for financial year 2021-22 was an additional + 8.4% in regard to the number of borrowers making a repayment (from 222,900), and an additional + 8.5% in the amount repaid (from £130.3 million).

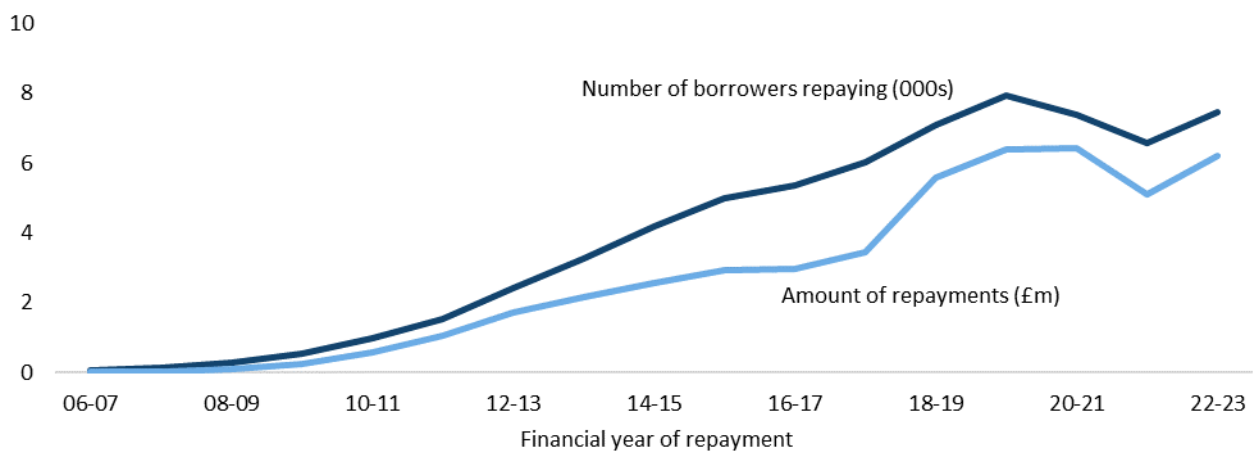
The provisional position for financial year 2021-22 can be found in the previous year's [publication](#). 2022-23's figure will be finalised in our 2024 publication.

Scheduled repayments made directly to SLC

Direct ('scheduled') payments are repayments which have been made directly to SLC from borrowers who reside overseas, who are **liable to repay**, and are doing so via a repayment schedule. Both UK and non-UK EU domiciled borrowers may make scheduled overseas repayments.

21.2% increase in total amount repaid by higher education borrowers via scheduled repayments made directly to SLC, reaching £6.2 million

Figure 8: Number of ICR student loan borrowers who made a scheduled repayment directly to SLC & total amount repaid by financial year of repayment 2006-07 to 2022-23



Source: [Table 4B \(i\)\(ii\)](#)

[Download the data for Figure 8 \(ODS, 6KB\)](#)

Figure 8 shows that the number of higher education borrowers making scheduled repayments directly to SLC increased overall since 2006-07 from just 50 to 7,500. Increases were reported each year, with the exception of financial years 2020-21 and 2021-22, where numbers reduced by 600 and 800 respectively (- 7.1 and - 10.6%).

The total amount of scheduled repayments made directly to SLC followed a similar trend, increasing overall from just £12,500 in 2006-07, to £6.2 million in 2022-23. A single decrease, of £1.3 million (- 20.5%) was reported in 2021-22.

When comparing 2022-23 to the previous year, there has been a 13.3% increase in the number of borrowers making scheduled repayments directly to SLC (+ 900) and a significant 21.2% increase in the amount paid (+ £1.1 million).

These increases oppose the 10.6% decrease in repayers and the 20.5% decrease in the amount reported in 2021-22.

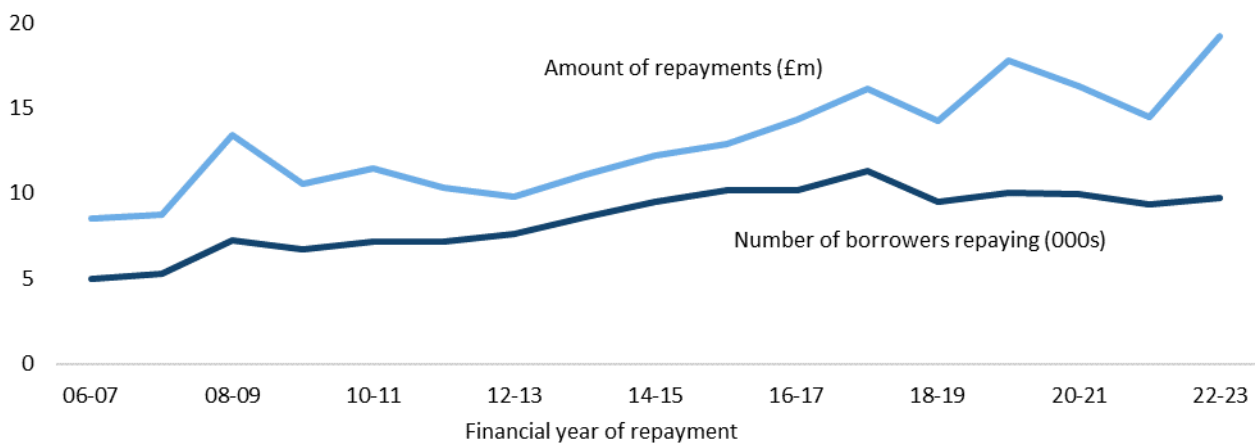
This could be partially attributed to an increase in take-up for the 'direct debit scheme'. SLC writes to every customer when they are within 12 months from repaying their balance inviting them to switch to direct debit payments to avoid over-repaying. By March 2023 the sign-up for this scheme had reached 33% of those invited to participate, a three-year high.

Voluntary Repayments made directly to SLC

Voluntary repayments are repayments which have been made directly to SLC from borrowers who are **not yet liable to repay**. Borrowers who are making repayments via HMRC can also make additional voluntary repayments.

32.6% increase in total amount repaid by borrowers via voluntary repayments made directly to SLC, reaching £19.2 million

Figure 9: Number of ICR student loan borrowers who made a voluntary repayment directly to SLC & total amount repaid by financial year of repayment 2006-07 to 2022-23



Source: [Table 4C \(i\)\(ii\)](#)

[Download the data for Figure 9 \(ODS, 6KB\)](#)

Figure 9 demonstrates that trends in voluntary repayments made directly to SLC are significantly more volatile than HMRC and scheduled repayments. Therefore, variances to the previous year are not necessarily evidence of a trend.

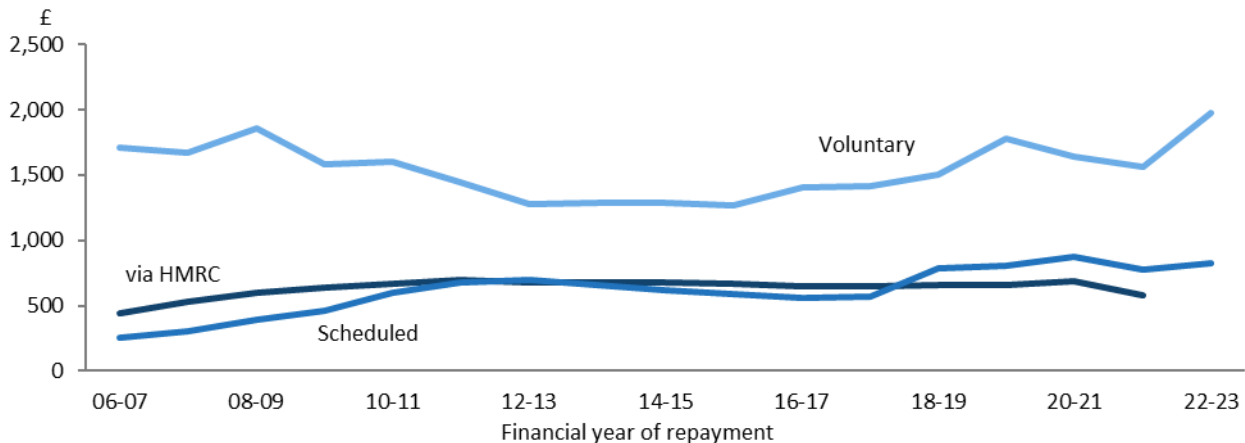
Overall, the amount of voluntary repayments made directly to SLC by higher education borrowers has increased from £8.5 million to £19.2 million between 2006-07 and 2022-23, yet has noticeably fluctuated throughout this time-period. The number of borrowers making voluntary repayments has increased overall from 5,000 to 9,700 in 2022-23, also fluctuating, but to a lesser extent than the amount repaid.

When comparing 2022-23 to the previous year, there has been a 4.2% increase in the number of higher education borrowers making voluntary repayments directly to SLC (+ 400) and a considerable 32.6% increase in the amount paid (+ £4.7 million).

Average amount repaid by repayment method

15.9% decrease in the average amount repaid by ICR loan borrowers via HMRC in financial year 2021-22

Figure 10: Average annual amount repaid by ICR student loan borrowers by repayment method and financial year of repayment 2006-07 to 2022-23 £



Source: [Table 4A \(iii\), 4C \(iii\) and 4E \(iii\)](#)
[Download the data for Figure 10 \(ODS, 6KB\)](#)

Figure 10 indicates the average amount repaid by repayment method.

The average repayment via HMRC has increased from £440 in 2006-07 to reach £580 in 2021-22. When comparing to 2020-21, this was a £110 decrease (- 15.9%). This could be attributed to the change in repayment threshold. For financial year 2021-22, all borrowers who started a higher education course in August 1998 or later, were moved to a new repayment plan (from Plan 1 to Plan 4). For the introductory year of this plan, the repayment threshold was set at £25,000. This is considerably higher (+ 29%) than the Plan 1 threshold of £19,390 in place for all post-1998 borrowers in financial year 2020-21.

HMRC repayments for the 2022-23 financial year are not included in the average as this is considered 'provisional' until all Self-Assessment data is included. This amount will be finalised in the 2024 publication.

The average scheduled repayment made directly to SLC was just £260 in financial year 2006-07. By 2022-23 this has reached £830 (a + £50 increase on 2021-22).

Trends in voluntary repayments made directly to SLC are significantly more volatile than scheduled and HMRC repayments. The average voluntary repayment has fluctuated between £1,270 (in financial year 2015-16) and £1,980 (in 2022-23). The 2022-23 average was £420 higher (+ 26.9%) higher than in the previous year.

For both HMRC and scheduled repayments, this average includes only those borrowers who have become liable to repay (usually the April following the completion, or withdrawal from their course, provided they are earning above the relevant income threshold). For voluntary repayments, this includes all ICR borrowers who made a repayment (including those who are not yet liable to repay).

Additional Information

The MFDS effect on repayments data in financial year 2019-20

Repayments of Income Contingent Loans are shown in this publication in the financial year they are posted to customer accounts. As SLC were previously notified of repayments by HMRC usually within one year of the financial year ending, the repayments shown in a given financial year (prior to FY 2019-20) were mainly for the year before. The same was also true for the associated interest calculations being applied to these customer accounts.

In the first financial year of receiving this information at a greater frequency (FY 2019-20) more repayments data was evident than in previous financial years. Almost two years' worth of customer PAYE repayments and interest calculations (those processed by SLC in both FY 2018-19 and 2019-20) were included.

HMRC still provide SLC with annual information within one year of the financial year ending, which is reviewed and applied to customer accounts like before. This end of year file will be the end of financial year position for the borrower. This could result in minor adjustments to customer balances. These adjustments will be included in the following year's reporting data.

It should be noted that **this did not adversely affect the borrower's balance** – this effectively brought a more up-to-date representation of loan balances at that point in time

The figures / trends in this publication which have been affected by MFDS are clearly marked throughout this publication but for additional information in regard to MFDS please refer to [GOV.UK](https://www.gov.uk).

The MFDS effect on interest rate calculations in financial year 2019-20

The interest applied to accounts, like repayments, is reported within this publication in the financial year it was posted to the customer's account, and not necessarily the year the interest was accrued. For PAYE repayers this is dependent on when repayment information is received from HMRC and thus affected by the introduction of MFDS in the 2019-20 financial year (explained above).

Pre MFDS, PAYE repayment information was received by SLC annually from HMRC for each borrower, usually after the end of the financial year. At this point the account was re-calculated using the repayment information supplied and interest backdated and applied. This would be reported within this publication in the following financial year data.

With the introduction of MFDS and repayments information more readily available, interest is also calculated and applied to the accounts more readily. **This resulted in a change in time series for financial year 2019-20 for interest applied**, as almost two years' worth of customer PAYE repayments and interest calculations was included (those processed by SLC in both FY 2018-19 and 2019-20). From the 2020-21 financial year, the time series normalised with a single years' worth of repayments information and resulting interest calculations being included (just those processed by SLC within that financial year).

Office for National Statistics decision on student loans

In December 2018 the Office for National Statistics (ONS) reached a decision to partition UK student loans into lending (government assets) and expenditure (government spending) on the Government accounts. Up until this point they had been classed entirely as lending. This decision was implemented in September 2019. This decision was based on the fact that repayments associated with ICR loans, are conditional on a

borrower's future income, and under certain conditions the loan obligation itself may be cancelled. These cancellation conditions are reported on Table 1 and 2 of this publication.

It has been calculated that the treatment of student loans in this manner will better reflect the government's financial position. Government revenue will no longer include interest accrued that will never be paid due to the conditional nature of ICR repayments. Government expenditure related to the cancellation of student loans is also accounted for in the periods that loans are issued, rather than decades afterwards. The ONS decision on student loans has no effect on the figures produced within this publication. Further information on the ONS decision and the methodology used to partition student loans can be found on the [ONS website](#).

Data sources

This publication uses data from SLC's administrative systems. For details of the administrative data sources used in our publications refer to our [Statement of Administrative Sources](#).

Data quality

SLC has published the quality guidelines that it follows. As per those guidelines a quality plan is produced for each publication. The quality plan stipulates two stages of quality assurance. Data is extracted from the administrative systems then reviewed using a standard quality assurance checklist. The statistical tables created using that data are quality assured using the statistical quality guidelines. Refer to our [Quality Guidelines](#) for further information.

Revisions and estimates

Revisions within the data are denoted with an [r]. Further details can be found on our [revisions policy](#). In previous years we have had to mark the figures relating to self-assessment repayment as estimated [e] due to this being provided later than anticipated. From 2018-19 this has been provided as expected, allowing this to be included as final figures.

Related statistics publications

SLC publish statistics on the repayment of Student loans for higher education for England, Wales and Northern Ireland as part of the same series this publication belongs to. These are published at the same time as part of the series [Student loans for higher and further education](#).

SLC also publish statistics on higher education funding in the series [Student support for higher education](#) for England, Wales and Northern Ireland. The latest releases of this series were published on the 24 November 2022 covering academic year 2021/22.

The Student Awards Agency for Scotland (SAAS) publish details of higher education funding in Scotland in their publication Higher education student support in Scotland. The [latest release](#) of this series was published in August 2022 covering academic session 2021/22.

Notes on Policy

The statistics on student loans in this release were compiled by the Student Loans Company. They include public sector loans only, which are repaid on an income contingent basis. Student loans are available to eligible full-time undergraduate students and those taking full-time or part-time postgraduate initial teacher training courses. In the four academic years from 2000/01 onwards some other part-time students were able to take out loans, but these were then replaced by part-time course grants and part-time fee

grants. From academic year 2017/18 part-time fee loans were re-introduced in addition to the above grants.

Tuition fees were abolished for Scottish students studying in Scotland from Autumn 2000. The Student Awards Agency Scotland (SAAS) pays tuition fees for full-time eligible students studying at publicly funded institutions in Scotland.

Up until academic year 2012/13 the Tuition Fee Loans were just for Scottish domiciled students studying elsewhere in the UK. Eligibility was extended in academic year 2012/13 with the introduction of the postgraduate tuition fee loan scheme which covers eligible EU and Scottish domiciled students on selected taught postgraduate diploma courses in the UK, excluding PGDE.

For more information on funding available to Scotland-domiciled students, please refer to the [SAAS website](#).

National statistics

This is a National Statistics publication. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure they meet customer needs. They are produced free from any political interference.

This publication series was awarded National Statistics status in October 2011 following a full assessment against the Code of Practice, which can be found on the Statistics Authority [website](#). Tables 3, 4 and 5 were awarded National Statistics status in April 2014 having initially been assessed as a separate publication, which can also be found on the [website](#). These tables were subsequently merged into this publication.

Since the assessments by the Office for Statistics Regulation we have continued to comply with the Code of Practice for Statistics, and have made several improvements including the following:

- **Direct repayments** – From 2017 onwards we have included tables to show borrower numbers for borrowers repaying directly to SLC. In 2018 we disaggregated these tables further to show borrower numbers for those making scheduled and voluntary payments.
- **Cross country comparisons** – First introduced in 2014, providing a cross country comparison of total debt, average debt on entry into repayment and average annual repayment amount.

Definitions

For definitions of terms used in our publication, please refer to our [Definitions](#) page.